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February 1983

Vegetable

OUTLOOK & SITUATION

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The *Vegetables Outlook and Situation* report is published in January, April, July, and October.

Summary

Sharply larger U.S. acreage of fresh vegetables will likely be harvested this winter. The larger area, combined with increased supplies from Mexico compared with a year ago, should keep grower and retail prices substantially below a year earlier. Meanwhile, larger processed vegetable supplies—especially of frozen vegetables—will likely mean stable prices through first-half 1983. Large 1982 crops of potatoes, sweetpotatoes, and dry beans, along with sluggish demand, have pushed prices down sharply since fall. During the first half of 1983, prices of these commodities will likely be less than the typical seasonal gain.

The expected moderate rise in marketing costs in 1983 will slow down increases in retail prices. At the same time, gains in consumer income are expected to be slight in the coming months, which could limit sales of vegetables, further constricting prices.

U.S. imports of Mexican vegetables from October to mid-January rose nearly 30 percent from a year earlier, because the peso devaluation makes the American market more attractive to Mexican producers. The larger imports will likely persist this winter and into early spring. During the winter, Mexico is a major supplier of tomatoes, cucumbers, bell peppers, squash, eggplant, and snap beans.

Of the major U.S. fresh vegetables, winter lettuce acreage is up 17 percent from a year ago. Last winter's good prices and a lessening of the whitefly risk in the Imperial Valley, California, probably caused the rise. Meanwhile, Florida tomato growers have also upped their winter plantings, despite the prospect of larger Mexican supplies.

Fresh vegetable production during 1982 reached a record high. The larger supplies and weakened demand in the second half of the year pushed grower prices down. The index of grower prices averaged 121 (1977=100) in 1982, down from the record-high 135 in 1981.

In contrast, retail prices for fresh vegetables rose last year. The retail price index was 288 (1967=100), up 7 percent from 1981. The retail gain in the face of lower farm prices could reflect an increase in retail margins, which were likely squeezed by 1981's high grower prices. Last summer's higher truck rates also contributed to the increased margins.

Last year, the raw tonnage of major processing vegetables increased 21 percent from a year earlier. A record-large sweet corn crop and a 28-percent rise in tomato production provided the bulk of the increase. Crop value rose by nearly $200 million.

A larger portion of the gain in tonnage went into the frozen vegetable pack, which rose by about 15 percent from a year earlier. Sweet corn, lima beans, peas, and broccoli posted the most notable gains. The larger packs translated into bigger 1982/83 supplies. Therefore, cold storage holdings of frozen vegetables on January 1, at 2 billion pounds, were an alltime high for that date and were more than a fourth larger than last year.

The pack of leading canned vegetables gained slightly. The packs of tomatoes and tomato products, sweet corn, and beets made noteworthy gains, while those of green peas, snap beans, lima beans, and sauerkraut were the smallest in several years. In general, the bigger packs of canned items offset reduced carryover stocks, leaving supplies slightly larger this winter than last.

Last year's characteristic stability in processed vegetable prices will probably continue through at least the first half of 1983. Larger supplies, the weak economy, and slower rises in raw-product and marketing costs point to steady prices in the coming months.

Growers, dealers, and processors held 6 percent more potatoes on January 1, 1983, than a year earlier. The rise in stocks was caused by the large 1982 crop and lower disappearance through December. Processors used 6 percent fewer potatoes, while tablestock shipments were also trailing about 6 percent behind last year's pace.

The larger stocks and slowed demand pushed down potato prices during the last half of 1982 from the relatively high ones of last spring and summer. In December, growers received an average of $3.68 per cwt, compared with $4.63 a year earlier and $8.01 in June. Although a large share of the crop remains to be sold, the 1982 season-average price is currently estimated at $4.59, compared with $5.41 and $6.55 in 1981 and 1980, respectively. Retail prices have also fallen steadily since summer.

A seasonal increase in potato prices this winter and spring—if there's any at all—will likely be lower than average. The larger January 1 stocks and sluggish processing and tablestock demand that have marked this season will continue to pressure prices.

Despite this season's relatively low prices, planted acreage this year probably won't decrease significantly from 1982. In the past, it has generally taken a longer period of low prices to force acreage adjustments. In addition, price prospects for potatoes are at least good as those for most alternative crops.

The big increase in 1982 sweetpotato production (the largest output since 1965) has overwhelmed the gains in canners' use and fresh-market demand, causing sharp price declines. The 1982/83 season-average price is estimated at $7.87 per cwt, compared with $13.60 the 2 previous years.

Despite a 25-percent drop in the 1982 dry bean harvest, languid export demand has depressed prices. The average farm price for dry beans in December was $12.70 per cwt, the lowest monthly price since early 1973. The low grower prices for both sweetpotatoes and dry beans point to cut backs in 1983 plantings.

FRESH VEGETABLES

Recent Developments

1982 Production Reaches Record High

For the second consecutive year, U.S. fresh vegetable production reached a record high. The output of nine major vegetable crops (broccoli, carrots, cauliflower, celery, sweet corn, lettuce, honeydew melons, onions, and tomatoes) totaled 203 million cwt during 1982, up 5 percent from 1981 and 8 percent more than in 1980. Production rose for all crops except lettuce and celery, with a record onion crop and substantial gains in carrot and broccoli output (table 1).

The larger production came from a 3-percent rise in area (to 958,300 and 925,350 acres planted and harvested, respectively) and a 2-percent gain in yield, to 219 cwt per acre. The high grower prices of 1981 probably spurred the acreage increase, while the yield gain reflected generally good growing conditions and the strong upward trend that's characterized vegetable yields the past 25 years.

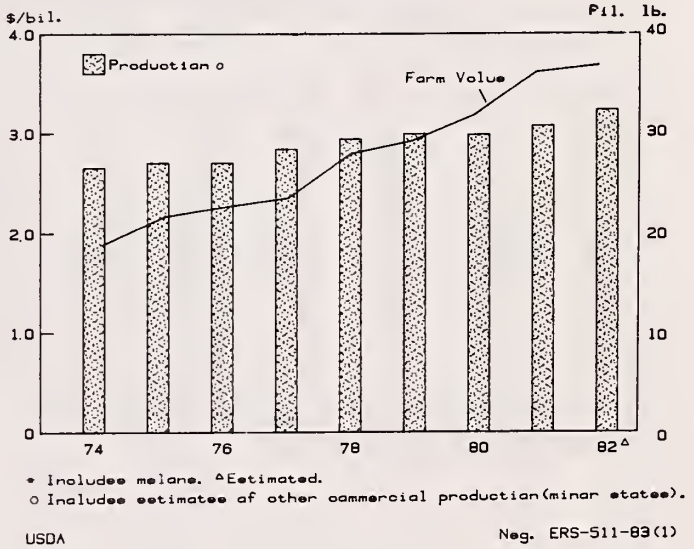
The value of the nine fresh vegetable crops totaled $2.6 billion in 1982, a very slight gain from 1981. However, the average value fell in 1982, to $12.90 per cwt, compared with $13.50 in 1981. A sharp rise in the total and average value during January-June barely offset a similar decline in value during July-December.

The lettuce crop was valued at over $150 million more during the first half of 1982, primarily because of reduced supplies last winter. A Florida freeze that disrupted shipments and strong processor demand for such dual-use crops as broccoli, carrots, and cauliflower also pushed up growers' receipts in the first half of 1982. Meanwhile, the year-to-year gain in July-December production and slowed demand for fresh produce caused a substantial drop in grower prices and in the value of second-half output.

California continues to be the dominant State for fresh-market vegetables, accounting for about half of U.S. acreage, production, and crop value. Florida, Texas, Arizona, and New York round out the top five.

Because of budget constraints, USDA's Crop Reporting Board cut back its fresh vegetable estimates from 22 commodities to 9 during 1982. In 1981, the 13 eliminated crops accounted for about 30 percent of production and value. With those items, 1982 fresh vegetable production probably totaled 285 to 295 million cwt valued at $3.6 to $3.7 billion.

Farm Value and Production of Fresh Vegetables*



* Includes melons. △Estimated.
o Includes estimates of other commercial production (minor states).

USDA

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Table 1—Vegetables and melons for fresh market: commercial acreage, production, and value for principal crops, 1980, 1981, and 1982[1]

Commodity	Harvested acreage			Production			Value					
							Per cwt			Total		
	1980	1981	1982	1980	1981	1982	1980	1981	1982	1980	1981	1982
	1,000 acres			*1,000 cwt*			*Dollars*			*1,000 dollars*		
Broccoli[2]	77.9	78.5	91.5	6,753	7,522	8,729	21.40	23.30	23.90	144,613	175,132	208,675
Carrots[2]	72.5	73.9	78.7	19,539	20,466	23,132	8.29	8.90	8.48	161,905	182,171	196,110
Cauliflower[2]	43.3	46.0	51.1	4,255	5,209	5,436	22.50	24.10	24.50	95,762	125,307	133,276
Celery[2]	37.3	36.7	36.6	18,655	18,628	17,948	9.11	10.80	10.50	169,896	200,622	189,296
Corn, sweet	175.5	176.9	177.9	13,911	13,800	13,987	10.70	11.60	12.10	149,267	159,874	169,862
Honeydews	17.7	19.6	23.6	3,180	3,419	3,624	13.50	15.40	14.10	42,864	52,581	51,063
Lettuce	236.5	224.0	218.8	63,297	62,381	61,239	8.93	10.90	11.80	565,148	677,385	722,088
Onions[2 3]	113.0	111.6	124.2	33,476	35,021	41,337	11.40	14.70	8.45	346,539	475,395	318,500
Tomatoes	126.5	128.0	123.0	25,415	26,176	27,358	20.70	21.40	22.80	525,388	560,567	623,441
Total[4]	899.9	895.2	925.4	188,481	192,622	202,790	11.70	13.50	12.90	2,201,386	2,609,034	2,612,311

[1]Includes Hawaii. [2]Includes quantities used for processing. [3]Value exceeds production not marketed because of shrinkage and loss. [4]May not add due to rounding.

SOURCE: Vegetables Annual, CRB, SRS.

Farm Prices Down, Retail Up In 1982

The index of prices received by growers of fresh market vegetables averaged 121 (1977=100) during 1982, compared with 135 and 110 in 1981 and 1980, respectively (table 2). The index reached an alltime high of 191 in January because of whitefly- and acreage-reduced lettuce supplies and the disruption of Florida supplies due to a freeze. However, production rebounded strongly from those setbacks. Stagnant economic conditions dampened demand and, combined with the abundant supplies, contributed to sharply lower grower prices in the second half of the year. September's index reading of 88 was the lowest since 1978. Prices rose at the normal seasonal rate during fall 1982, but the index still averaged a sixth lower than in 1981.

In contrast with grower prices, 1982 retail prices were above a year earlier (table 3). The retail price index for fresh vegetables averaged 288 (1967=100), a 7-percent rise from 1981. During January-June, the average index reading was 14 percent above a year earlier, reaching a record 362 in February. Prices dropped during the summer, as farm prices fell and demand slowed. Retail prices crept upward during the fall, but at a slower-than-normal pace. For the fourth quarter of 1982, the index posted a 1-percent rise from a year earlier.

The higher retail prices in the face of lower grower prices may have been caused by retailers increasing their margins. The retailers possibly endeavored to recapture some losses from 1981, when record-high grower prices may have squeezed their margins. Also, increases in marketing costs—including truck rates—probably contributed to the retail price gain.

Table 2—Commercial vegetables for fresh market: index of prices (unadjusted) received by farmers, United States, by months, 1972 to date[1]

Period	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Annual
							1977=100						
1972	79	67	58	68	62	62	59	63	65	57	75	70	65
1973	79	78	86	101	96	96	91	67	63	62	64	65	79
1974	69	82	67	77	86	87	77	71	71	83	85	74	77
1975	86	86	84	90	85	105	90	79	81	81	89	100	88
1976	99	90	91	95	67	79	86	81	90	96	94	87	88
1977	120	129	134	111	92	76	86	81	84	91	106	90	100
1978	103	105	112	148	120	118	106	86	89	86	89	107	106
1979	132	145	126	108	104	103	95	98	92	97	106	100	109
1980	98	93	109	118	119	111	98	103	110	105	123	129	110
1981	145	165	176	135	131	116	131	119	112	115	119	150	135
1982[2]	191	161	129	123	112	116	112	96	88	93	118	122	122

1 All prices reported on f.o.b. basis. 2 Preliminary.

SOURCE: Agriculture Prices, SRS, USDA.

Table 3—Consumer price index for fresh vegetables (excluding potatoes) (unadjusted), by months, 1972 to date[1]

Period	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Annual
							1977=100						
1972	143.6	132.1	130.1	137.4	136.6	131.2	127.1	124.2	125.4	135.1	139.8	133.2	
1973	146.4	150.0	157.6	163.4	168.4	168.1	163.3	160.6	129.4	133.3	139.0	138.4	151.5
1974	145.8	147.5	156.4	142.3	167.4	169.5	170.4	144.8	139.2	141.8	157.6	152.3	152.9
1975	161.5	171.0	172.8	167.0	163.9	175.4	185.4	159.3	150.5	150.1	159.5	171.2	165.6
1976	175.3	167.3	168.2	177.5	167.6	158.5	165.6	168.1	160.3	180.5	176.8	179.4	170.4
1977	190.2	241.0	234.8	249.7	208.5	184.9	178.4	177.4	172.1	175.0	185.4	192.7	199.2
1978	205.8	216.0	215.2	237.8	256.5	245.7	232.4	203.1	192.5	201.2	203.3	208.3	218.2
1979	252.8	262.8	245.3	233.4	217.0	222.8	222.2	211.0	201.2	219.7	225.7	231.8	228.8
1980	227.0	214.1	219.7	244.3	257.4	248.0	233.2	222.4	237.2	246.1	248.6	264.8	238.6
1981	268.6	283.5	308.9	303.3	265.3	255.7	261.4	259.8	251.7	247.6	253.3	242.2	266.8
1982	352.2	361.5	308.5	301.4	301.6	303.1	275.4	241.6	232.4	239.7	252.2	280.2	287.5

[1] Derived by Economic Research Service from the Consumer Price Index.

Bureau of Labor Statistics.

Table 4—Fresh Vegetables: Average f.o.b. shipping point prices, per hundredweight, United States indicated periods, 1981 and 1982

Commodity	1981		1982		
	Nov.	Dec.	Oct.	Nov.	Dec. 1-15
			Dollars		
Carrots	13.00	13.40	9.72	9.85	12.00
Celery	10.70	10.20	7.93	7.93	7.34
Corn, sweet	11.40	13.70	12.20	14.70	18.40
Lettuce	9.84	21.90	9.13	11.90	15.90
Onions	14.80	14.60	6.83	6.80	6.82
Tomatoes	17.50	17.80	19.60	31.60	20.90

SOURCE: Agricultural Prices, SRS Monthly.

Table 5—Fresh vegetables: Representative prices (wholesale lots) at New York and Chicago for stock of generally good quality and condition (U.S. No. 1 when available), indicated periods, 1980, 1981, and 1982

Market and commodity	State of origin	Unit	Tuesday nearest midmonth					
			1981/82			1981/83		
			Nov. 17	Dec. 15	Jan. 12	Nov. 16	Dec. 14	Jan. 18
					Dollars			
NEW YORK								
Beans, snap, round green type	Florida	Bu. hamper and crt.	—	12.00	20.00	16.00	12.50	18.00
Broccoli, bunched	California	14's crt.	9.50	12.00	20.00	14.50	11.50	9.50
Cabbage, domestic round type	Florida	1-3/4 bu. crt.	—	6.00	6.50	—	—	5.00
Cabbage, Danish type	New York	50-lb. sack	3.75	4.75	3.75	3.00	—	—
Carrots, topped, washed	California	48-1-lb. film bag ctn.	10.50	12.00	11.50	9.00	10.50	11.50
Celery, Pascal	Florida	2-4-doz. 16 in. crt.	—	—	—	—	—	—
Celery, Pascal	California	2-3-doz. 16 in. crt.	10.50	10.50	14.50	8.75	9.50	8.55
Corn, sweet, yellow	Florida	4-1/2-doz. crt.	—	7.50	10.50	8.50	10.50	11.00
Cucumbers	Florida	Bu. bskt.	9.50	12.00	—	16.00	10.50	—
Lettuce, Iceberg	Arizona	2 doz., ctn.	8.50	15.50	—	—	—	—
Onions, yellow medium	New York	50-lb. sack	6.50	6.25	6.75	3.25	3.15	2.75
Peppers. green California Wonder	California	Bu. bskt.	—	13.50	10.50	10.00	12.50	14.50
CHICAGO								
Beans, snap round green type	Florida	Bu. hamper	13.50	17.50	18.00	13.50	12.50	21.00
Broccoli	California	14's crt. & ctn.	9.50	12.00	17.50	7.75	9.50	9.50
Cabbage, domestic round type	Texas	1-3/4 bu. crt.	—	5.75	7.00	—	5.50	8.50
Carrots, topped, washed	California	48-1 lb. film bag, mesh master	11.25	12.00	11.75	8.25	11.50	12.50
Cauliflower	California	Film wrapped 12's ctn.	11.50	11.00	18.00	11.50	12.00	11.50
Celery, Pascal type	California	2-3 doz., 16 in. crt.	11.50	10.50	14.50	9.50	9.50	9.50
Corn, sweet, yellow	Florida	5 doz. crt.	8.25	8.75	11.00	8.00	12.00	10.50
Cucumbers	Florida	Bu. basket	11.50	10.00	—	16.00	11.50	17.50
Lettuce, Iceberg type	Arizona	2 doz. heads, ctn.	—	16.50	19.50	—	15.00	8.50
Onions, yellow large	Idaho	50 lb. sack	11.25	11.00	14.00	5.25	5.25	4.85
Onions, yellow, medium	Midwestern	50 lb. sack	6.25	6.35	6.37	4.37	4.15	3.80
Peppers, green, California Wonder type, large	Florida	Bu. basket	11.50	12.00	11.75	12.50	—	18.50
Tomatoes, greenhouse medium	Midwestern	8 lb. bu. basket	2.50	2.75	—	—	—	—

SOURCE: Weekly summary of terminal market prices, AMS, USDA.

Table 6—Fresh vegetables: retail price, marketing margin, and farm value per unit, sold in Baltimore, indicated months, 1981 and 1982

Commodity, month, and retail unit	Retail price	Marketing margin		Farm value[1 2]	
		Absolute	Percentage of retail price	Absolute	Percentage of retail price
		Cents	*Percent*	*Cents*	*Percent*
Carrots (lb.)					
November 1982	29.0	20.5	71	8.5	29
October 1982	35.0	26.5	76	8.5	24
November 1981	42.0	27.0	64	15.0	36
Celery (lb.)					
November 1982	24.5	17.3	71	7.2	29
October 1982	30.5	23.6	77	6.9	23
November 1981	39.5	26.0	67	13.2	33
Lettuce (Head)					
November 1982	64.0	50.6	79	13.4	21
October 1982	60.0	44.1	74	15.9	26
November 1981	69.0	48.8	71	20.2	29
Onions, dry yellow (lb.)					
November 1982	18.0	13.0	72	5.0	28
October 1982	32.0	27.2	85	4.8	15
November 1981	39.0	28.5	73	10.5	27
Potatoes, round white (lb.)					
November 1982	15.8	11.0	70	4.8	30
October 1982	17.2	12.4	72	4.8	28
November 1981	19.4	11.4	59	8.0	41
Potatoes, Russet (lb.)					
November 1982	45.0	31.4	70	13.6	30
October 1982	47.0	30.6	65	16.4	35
November 1981	47.0	31.9	68	15.1	32
Sweetpotatoes (lb.)					
November 1982	30.0	20.8	69	9.2	31
October 1982	32.0	22.3	70	9.7	30
November 1981	46.0	24.2	53	21.8	47

[1]For quantity of product equivalent to retail unit sold to consumers; because of waste and spoilage during marketing, equivalent quantity exceeds retail unit. [2]Production areas: Carrots-California; Celery-California; Lettuce-California; Onions-New York; Potatoes, round white-New York; Potatoes, Russet-Idaho; and Sweetpotatoes-North Carolina.

Table 7—Fresh vegetables: 1982 representative truck rates for selected items[1]

Commodity, area, and city	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Dollars per package											
Cabbage (wirebound crate)												
Southern Florida to:												
Atlanta	1.08	.95	.88	.88	.88	—	—	—	—	—	1.00	1.00
Chicago	2.25	2.12	2.22	2.22	2.22	—	—	—	—	—	2.50	2.50
New York City	2.02	2.08	2.25	2.30	2.30	—	—	—	—	—	2.50	2.50
Rio Grande Valley, Texas to:												
Atlanta	1.92	1.73	1.85	1.84	1.73	2.30	—	—	—	1.92	1.85	1.81
Chicago	2.19	2.08	2.15	2.19	2.12	2.30	—	—	—	2.23	2.15	2.12
Dallas	1.08	1.08	1.08	1.08	1.08	1.08	—	—	—	1.08	1.08	1.08
New York City	3.23	3.12	3.08	3.23	3.15	3.23	—	—	—	—	3.08	3.15
Carrots (48/1 lb. film)												
California points to:[2]												
Atlanta	3.00	2.92	3.38	3.00	3.15	4.00	4.64	3.86	3.50	3.21	3.00	3.30
Chicago	2.77	2.77	3.23	2.92	3.00	3.64	4.35	3.85	3.07	2.86	2.57	2.92
New York City	3.69	3.85	4.62	3.69	4.23	5.14	5.71	5.00	4.35	3.85	3.71	3.50
Los Angeles	.81	.81	.81	.81	.81	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Rio Grande Valley, Texas to:												
Atlanta	1.56	1.41	1.50	1.50	1.41	1.87	—	—	—	—	—	—
Chicago	1.78	1.69	1.75	1.78	1.72	1.87	—	—	—	—	—	—
New York City	2.62	2.53	2.50	2.62	2.56	2.62	—	—	—	—	—	—
Celery (wirebound crate)												
Southern California to:												
Atlanta	3.25	3.25	3.66	3.33	3.58	5.00	4.00	4.33	4.00	3.83	3.33	3.58
Chicago	2.75	2.92	3.58	3.25	3.50	4.08	3.58	3.66	3.58	3.25	3.00	3.17
New York City	4.16	4.25	5.08	4.08	4.91	5.75	5.00	5.58	5.00	4.67	4.42	4.17
Salinas-Watsonville, California to:												
Atlanta	—	—	—	—	3.58	4.41	5.42	4.50	4.08	3.75	3.50	3.58
Chicago	—	—	—	—	3.50	4.25	5.08	4.50	3.58	3.33	3.00	3.25
Los Angeles	—	—	—	—	1.37	1.37	1.37	1.37	1.37	1.37	1.37	1.37
New York City	—	—	—	—	4.33	6.00	6.66	5.83	5.08	4.50	4.33	4.25
Southern Florida to:												
Atlanta	1.25	1.25	1.25	1.25	1.25	1.25	—	—	—	—	—	—
Chicago	2.35	2.30	2.38	2.38	2.38	2.30	—	—	—	—	—	—
New York City	2.30	2.22	2.38	2.38	2.38	2.38	—	—	—	—	—	—
Corn (wirebound crate)												
Southern Florida to:												
Chicago	1.95	2.10	2.20	2.18	2.18	2.18	—	—	—	—	—	—
New York City	1.95	2.05	2.10	2.10	2.10	2.10	—	—	—	—	—	—
Cucumbers (1-1/9 bu. crate)												
Southern Florida to:												
Chicago	2.35	2.25	2.38	2.38	2.38	—	—	—	—	—	2.20	2.35
New York City	2.30	2.25	2.38	2.42	2.42	—	—	—	—	—	2.00	2.00
Nogales, Arizona (Mexican Imports) to:												
Chicago	2.55	2.67	2.99	2.55	2.70	—	—	—	—	—	—	—
New York City	3.43	3.87	4.53	3.43	2.70	—	—	—	—	—	—	—
Lettuce (24 head ctn)												
California points to:[2]												
Atlanta	2.44	2.38	2.75	2.43	2.69	3.31	4.06	3.38	3.06	2.81	2.62	2.24
Chicago	2.25	2.25	2.63	2.37	2.62	3.19	3.81	3.38	2.69	2.50	2.25	2.25
Dallas	1.56	1.75	2.00	1.56	2.12	1.94	2.44	2.56	2.38	2.25	2.12	2.00
Los Angeles	.66	.66	.66	.66	1.05	1.05	1.05	1.05	1.15	1.05	1.05	1.05
New York City	3.00	3.12	3.75	3.00	3.25	4.50	5.00	4.38	3.81	3.38	3.35	3.19
Onions, dry (50-lb. sack)												
Western Michigan to:												
Atlanta	.94	.97	.96	.96	—	—	—	—	1.03	1.03	1.03	1.03
Chicago	.50	.50	.50	.50	—	—	—	—	.59	.59	.62	.62
Western & Central New York to:												
New York City	.53	.39	.30	.80	.80	—	—	—	.82	.82	.82	.82

See footnotes at end of table.

Table 7—Fresh vegetables: 1982 representative truck rates for selected items[1]—Continued

Commodity, area, and city	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Dollars per package											
Onions, dry (50 lb. sack)												
Rio Grande Valley, Texas to:												
Atlanta	—	1.40	1.38	1.34	1.24	1.84	1.36	1.36	—	—	—	—
Chicago	—	1.69	1.69	1.66	1.62	2.18	1.34	1.34	—	—	—	—
Dallas	—	.88	.88	.88	.88	.88	.88	.88	—	—	—	—
New York City	—	2.53	2.53	2.34	2.25	2.22	2.12	2.17	—	—	—	—
Idaho to:												
Atlanta	2.43	2.38	2.31	—	—	—	—	—	2.18	2.31	2.43	2.38
Chicago	1.81	1.88	1.75	—	—	—	—	—	1.75	1.75	1.81	1.78
Los Angeles	1.81	1.24	1.24	—	—	—	—	—	1.18	1.18	1.12	1.18
Peppers, Green (1-1/9 bu. crate)												
Southern Florida to:												
Chicago	1.65	1.90	1.65	1.65	1.65	1.65	—	—	—	—	1.57	1.57
New York City	1.60	1.86	1.65	1.65	1.68	1.68	—	—	—	—	1.57	1.57
Nogales, Arizona (Mexican imports) to:												
Chicago	1.74	1.98	2.03	1.74	1.84	—	—	—	—	—	—	—
New York City	2.33	1.94	3.07	2.33	1.84	—	—	—	—	—	—	—
Potatoes (100-lb. sack)												
Idaho Falls, Idaho to:												
Atlanta	4.64	4.64	4.64	4.52	4.40	4.40	—	—	—	4.40	4.46	4.52
Chicago	3.45	3.57	3.45	3.45	3.33	3.33	—	—	—	3.45	3.45	3.45
Dallas	3.45	3.45	3.45	3.57	3.45	3.45	—	—	—	3.69	3.69	3.57
Presque Isle, Maine to:												
Atlanta	3.38	3.86	3.80	3.64	3.54	3.54	—	—	—	—	3.21	3.21
New York City	2.30	2.49	2.38	2.38	2.38	2.36	—	—	—	—	2.17	2.17
Red River Valley (Minn.-N.D.) to:												
Chicago	2.36	2.36	2.36	2.27	—	—	—	—	—	2.41	2.41	2.30
Long Island, New York to:												
Atlanta	1.46	1.61	1.58	—	—	—	—	—	—	1.73	1.73	1.68
New York City	.77	.77	.77	.77	—	—	—	—	.79	.79	.77	.77
Western & Central New York to:												
Atlanta	2.20	2.20	2.20	2.20	2.20	—	—	—	2.32	2.32	2.32	2.32
New York	1.62	1.62	1.62	1.62	1.62	—	—	—	1.65	1.65	1.65	1.65
Southern Oregon to:												
Los Angeles	2.00	1.95	1.90	1.85	1.85	—	—	—	—	NA	NA	NA
Yakima, Washington to:												
Atlanta	NA	NA	NA	NA	—	—	—	5.90	5.64	5.64	5.64	5.64
Chicago	NA	NA	NA	NA	—	—	—	4.59	4.46	4.46	4.46	4.46
Los Angeles	NA	NA	NA	NA	—	—	—	2.59	2.59	2.73	2.73	2.73
New York City	NA	NA	NA	NA	—	—	—	6.82	6.96	6.96	6.96	6.96
Madison, Wisconsin to:												
Atlanta	2.78	2.78	2.78	2.78	—	—	—	—	2.78	2.78	2.25	3.21
Chicago	1.06	1.06	1.06	1.06	—	—	—	—	1.11	1.11	1.21	1.13
Sweetpotatoes (50-lb. crate)												
Raleigh, North Carolina to:												
Atlanta	.75	.75	.75	.75	—	—	—	—	.75	.72	.80	.88
Chicago	1.12	1.12	1.12	1.12	—	—	—	—	1.12	1.22	1.12	1.23
New York City	1.05	1.05	1.05	1.05	—	—	—	—	1.05	1.05	1.05	1.65
Tomatoes, Green (25-lb. ctn.)												
Southern Florida to:												
Atlanta	.55	.62	.58	.58	.58	.56	—	—	—	—	—	—
Chicago	1.20	1.20	1.25	1.25	1.25	1.25	—	—	—	—	—	—
New York City	1.20	1.22	1.20	1.20	1.20	1.26	—	—	—	—	—	—
Nogales Arizona (Mexican imports) to:												
Chicago	1.10	1.15	1.29	1.10	1.17	—	—	—	—	—	—	—
New York	1.48	1.67	1.95	1.48	1.17	1.45	—	—	—	—	—	—

[1]Reported from a sample of shippers and/or truck brokers in specified areas for shipments during the first week of the month. [2]Imperial Valley: Jan.-Apr., Dec., Salinas-Watsonville: May-Dec. NA = Not Available.

Outlook

Winter Acreage Up Sharply

The prospective harvest area (in major States) of seven leading fresh vegetables totaled 154,750 acres this winter, 15 percent more than a year ago (table 8). The area for all seven items showed gains. The larger area is somewhat surprising in light of relatively low grower prices since last summer. However, growers in the winter production regions—mainly California's Imperial Valley, Florida, and south Texas—enjoyed favorable returns on last year's winter vegetable deals. In addition, the relatively poor outlook for other crop and livestock commodities may have caused new or additional vegetable plantings this year.

An easing of the whitefly problem in the Imperial Valley probably contributed to the increase in lettuce acreage there. Meanwhile, broccoli's and cauliflower's increasing popularity and good prices were the primary factors behind their area increases. A substantial rise in Florida tomato area occurred, despite the prospect of heavier imports of Mexican tomatoes this year.

Through late January, no major weather or pest problems plagued this winter's fresh vegetable crops. Although Florida frosts occurred between January 12 and January 18, damage was only minor, causing some leaf burn to tender vegetables. Therefore, the increased acreage portends larger U.S. production this winter. In addition, the strong upward trend in yields could further boost supplies.

Mexican Shipments Up

The peso devaluations of the past year have made the U.S. market more attractive to the Mexican grower/shipper this season. Therefore, Mexico, a major U.S. supplier of fresh vegetables during the winter and early spring, is expected to step up its shipments this season.

Between October and mid-January, imports of leading fresh vegetables from Mexico increased nearly 30 percent from a year earlier. Tomato imports rose sharply and accounted for most of the increase, with imports of squash and eggplant were also up significantly. Meanwhile, shipments of snap beans, cucumbers, and bell peppers were equal to or less than a year earlier.

Most Mexican winter vegetable production occurs in the Western State of Sinaloa. Trade sources report vegetable plantings in Sinaloa (as of December 20) may have increased 17 percent from last year. Plantings in the important Culiacan Valley are estimated to have risen by 17 percent for tomatoes, 43 percent for cucumbers, and 30 percent for bell peppers. USDA's Foreign Agricultural Service (FAS) reports that up to a third more seed was imported into Sinaloa this season, suggesting possible additional gains in plantings after December 20.

A hurricane in early October damaged Sinaloan vegetable areas that accounted for about 40 percent of the State's acreage. This caused extensive replanting. In addition, FAS reported that rains in late November and December throughout Sinaloa damaged vegetable crops. However, open weather during January favored crop development. The fall rains also replenished soil moisture and reservoirs.

[See "Mexican Winter Vegetable Situation" in the January 1983 issue of *Foreign Agriculture Circular: Horticulture Products*, published by USDA's Foreign Agricultural Service. In addition, see "The Peso Devaluation and Florida-Mexico Competition in Winter Fresh Vegetables" in the October 1982 issue of ERS' *Vegetable Outlook and Situation*.]

Prices Likely To Be Lower

Grower and retail prices will likely increase seasonally during the first quarter of 1983; only once in recent years have they failed to do so. However, supply and demand factors indicate that the seasonal rise in prices this winter will be less than normal and will probably be substantially lower than a year ago.

The substantial year-to-year rise in winter vegetable area, along with likely higher yields, should cause U.S. production to gain. In addition, the possibility of the larger imports from Mexico could pressure prices downward. The whitefly problem in California is apparently much less severe this year, and Florida vegetable areas escaped freezing weather through January. These factors will also add to supplies.

The relatively weak economic conditions could limit consumer food expenditures in the next few months. This may restrain growth in demand for fresh vegetables, further limiting price advances.

This winter, the grower index of prices for fresh vegetables will probably average 15 to 25 percent less than last year's near-record reading of 160 (1977=100). For all of 1983, the index will probably average from 115 to 130, compared with 121 in 1982.

Retail prices this winter will also decline relative to 1982, although they probably will post a modest seasonal rise. The retail price index for fresh vegetables during January-March will probably average 10 to 20 percent less than winter 1982's 341 (1967=100). The index will likely average between 280 and 305 for the entire year, compared with 288 in 1982.

Table 8—Vegetables for fresh market: reported commercial acreage of principal crops, winter, 1982 and indicated 1983

Seasonal group and crop	Prospective area for harvest		
	1982 major States	1983	
		Indicated major States	Percent of 1981
	1,000 acres		*Percent*
Broccoli[1]	17.4	19.8	114
Carrots[1]	22.9	24.9	109
Cauliflower[1]	6.0	7.8	130
Celery[1]	8.7	8.9	102
Sweet corn	7.8	10.4	133
Lettuce	57.9	67.6	117
Tomatoes	13.6	15.4	113
Total 7 vegetables[2]	134.3	154.8	115

[1]Includes fresh market and processing. [2]May not add to total due to rounding.

SOURCE: Vegetables, SRS, USDA.

Prospects for Leading Items

Lettuce

Lettuce growers expect to harvest 17 percent more area this winter than a year ago. Growers in western Arizona and California's Imperial Valley, which provide most of the winter supplies, upped their acreage after a few years of decline due to low prices, labor problems, and a whitefly infestation. However, because of last winter's reduced supplies, growers garnered sharply higher returns. Last year's good prices and a lessening of the whitefly risk probably caused the acreage boost.

The larger planted area, along with possible gains in yield, should ensure greater production this winter than last. As a result, prices should average considerably less than a year ago. During January 1983, f.o.b. shipping point prices in the Imperial Valley ranged between $3 and $8 per carton (2-dozen heads) and averaged about $5. This contrasts with January 1982's range of $10 to $15 and average of about $13. Retail prices should also be less than last winter's record highs. For all of 1982, retail prices averaged nearly 20 percent more than in 1981.

For all of 1982, lettuce production totaled 61.2 million cwt, 2 percent less than in 1981. Sharp price increases in first-half 1982 offset the relatively poor prices during the second half, pushing the value of production to a record $722 million. Lettuce is the United States' top-valued vegetable crop.

Tomatoes

Florida tomato growers, the primary U.S. winter producers, expect to harvest 15,400 acres this winter, a substantial rise from a year ago. The increase came in spite of the anticipated expansion in supplies from west Mexico.

The Florida tomato deal started with strong prices during November. But as supplies and shipments increased, prices fell. During January, f.o.b. prices for mature greens in south and central Florida ranged from $5.50 to $6.50 a 25-pound carton, compared with $4.50 to $15.50 a year earlier. A Florida freeze last year in mid-January kept prices at the upper end of that range for the second half of the month.

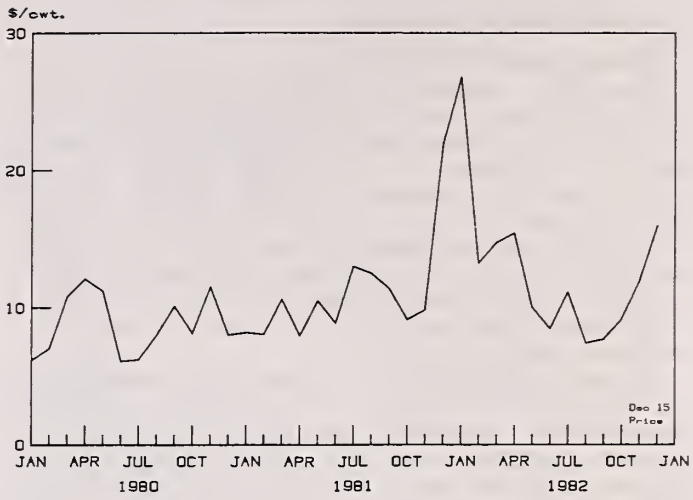
Shipping point prices during the comming weeks will probably continue between $5 and $7—barring, of course, another freeze. The potential influx of imports from Mexico could keep prices toward the botton of that range. The larger supplies will also moderate retail price increases, if there are any.

During 1982, farmers growing tomatoes for the fresh market produced 27.4 million cwt, up from 26.2 million the previous year. The crop had a record value, $623 million, 11 percent more than in 1981. However, the retail price index in 1982 declined 1 percent from the previous year.

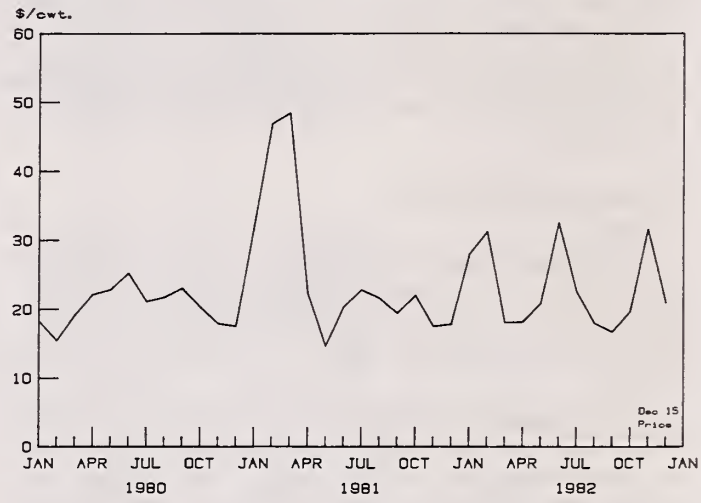
Onions

Following on the heels of 1982's record harvest, onion stocks this winter are considerably more than a year ago. The 1982 storage crop, at 20.5 million cwt, was 5 percent larger than 1981's big crop. In addition, shipments out of major growing areas since September are running about 16 percent behind last year's pace, when there was strong export demand. Moreover, onion arrivals reported

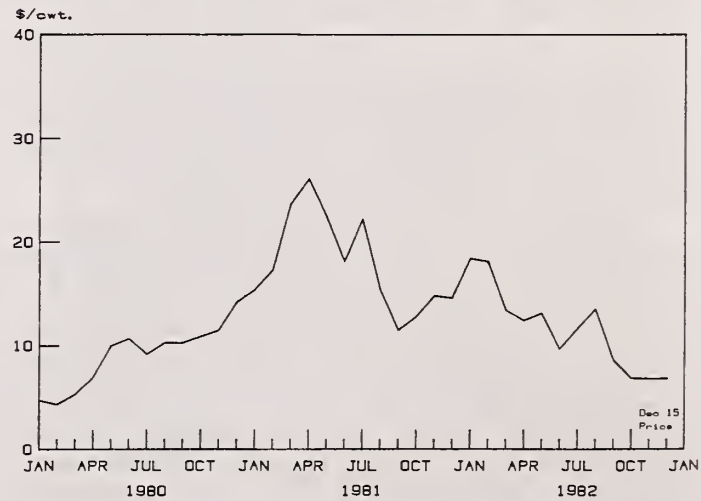
Lettuce: U. S. F. O. B. Shipping Point Price



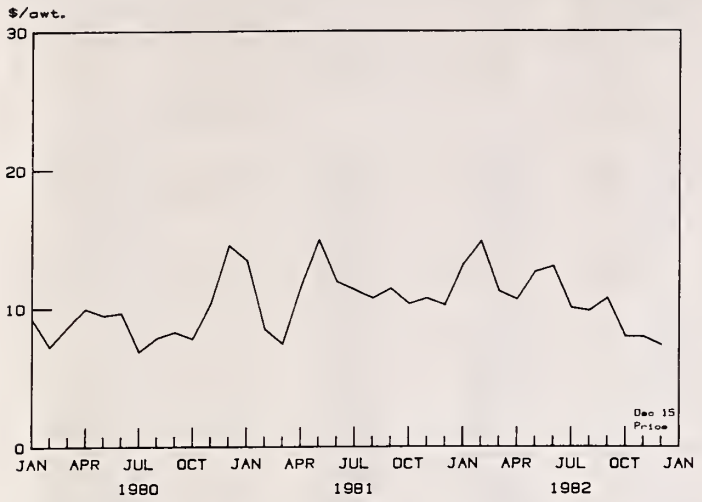
Tomatoes: U. S. F. O. B. Shipping Point Price



Onions: U. S. F. O. B. Shipping Point Price



Celery: U. S. F. O. B. Shipping Point Price



in major terminal markets from September to mid-January were moderately below a year ago.

With the Japanese not purchasing the large quantities they did last year, prices have fell sharply. F.o.b. shipping point prices for 50-pound sacks (U.S. No. 1) in Western States during January were $7 to $8 less than a year ago, the lowest since early 1980. Retail onion prices since mid-1982 have typically been about a fourth less than in 1981. Price gains, if any, should be modest through March, as stocks are drawn down.

These low prices have prompted an acreage adjustment for the spring 1983 crop. Planted area in Arizona, California, and Texas totals 26,600 acres, down a tenth from 1982. However, most of the decrease is in Texas, which has much lower yields than the other two States. In fact, California reported an acreage rise from last year, which will blunt the effects of the overall area decline. Therefore, no sharp price advances are expected through mid-1983.

Celery

Celery producers increased their winter area to 8,900 acres, up 200 from last year. Area was up in California, where growers had a relatively favorable first-half 1982. Reflecting the long-term trend, fewer Florida producers are raising the crop this year.

Celery prices in recent months have been substantially below a year ago. In January, f.o.b. shipping point prices were about $3 less in Florida and California. Retail prices have also weakened in relation to mid-1982 and a year earlier. With acreage similar to a year ago, supplies should be ample this winter, which will likely prevent price runups.

PROCESSED VEGETABLES

Recent Developments

1982 Tonnage Up Sharply

The production of seven major processing vegetables during 1982 totaled 11.9 million tons, over a fifth more than in 1981 and the most since 1977 (table 9). A record-large sweet corn crop and a 28-percent gain in tomato production provided the bulk of the increase. Of the commodities, only snap beans posted a decline from the previous year.

The big production jump and a slight increase in the average grower price for the seven crops caused a 23-percent gain in the total value, to $1.03 billion. A big tomato crop, coupled with higher contract prices, increased the value of tomatoes by $137 million (35 percent) from 1981. Growers' receipts for all other crops except snap beans rose last year.

During 1982, the raw tonnage used for canning the three major side-dish vegetables—snap beans, sweet corn, and green peas—increased 1 percent from 1981, while freezers processed nearly a third more. As a result, the proportion of the total raw tonnage of these items that was devoted to freezing reached a record-high 40 percent, compared with 34 percent in 1981 and 29 percent in 1972. This shift reflects waning per capita consumption of canned vegetables, the increased popularity of frozen corn-on-the-cob, and reduced 1982/83 carryin stocks of frozen vegetables.

The shift toward larger frozen vegetable output has also brought about some regional changes in production. The frozen vegetable industry is concentrated in the Pacific Northwest, and in 1982, the combined output of snap beans, sweet corn, and green peas in Washington, Oregon, and Idaho accounted for about 36 percent of the national total, compared with about 27 percent in 1977. Meanwhile, the share of production in Wisconsin, Minnesota, and Illinois fell from 55 percent in 1977 to 49 percent in 1982. Vegetable processors in those States are primarily canners.

The five leading processing States during 1982 continued to be California, Wisconsin, Minnesota, Washington, and Oregon. Wisconsin, with 21 percent, was the leader in terms of harvested area covering the four main crops: snap beans, sweet corn, green peas, and tomatoes. California followed closely behind. California was far and away the top State in production and value, accounting for 55 and 47 percent of the respective national totals. That State owes its dominance to its processing tomato crop. Processing tomatoes make up 65 percent of the

Farm Value and Production of Processed Vegetables*

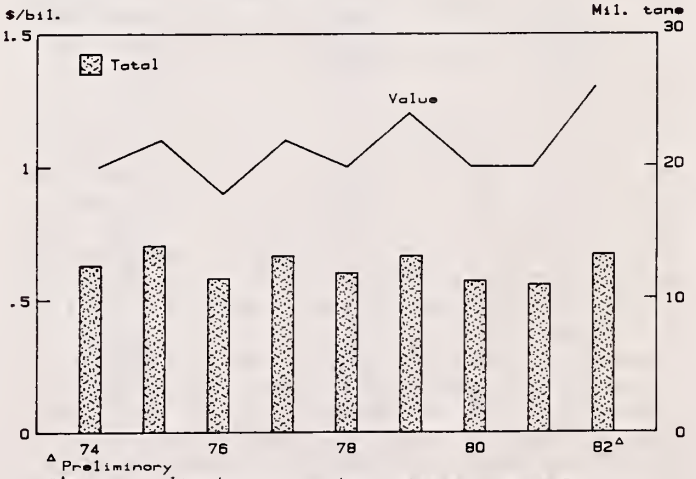


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Table 9—Processing vegetables: acreage, production, and season-average price per ton, 1980, 1981, and 1982

Commodity	Harvested acreage			Production			Price per ton		
	1980	1981	1982	1980	1981	1982	1980	1981	1982
	1,000 acres			*1,000 tons*			*Dollars*		
Beans, snap									
Canning	199	162	144	544	488	451	152.00	162.00	158.00
Freezing	56	56	60	161	185	194	169.00	176.00	184.00
Corn, sweet[2]									
Canning	265	274	290	1,389	1,546	1,614	51.80	63.20	57.10
Freezing	112	127	157	769	832	1,133	57.10	62.90	67.40
Peas, green[1]									
Canning	204	174	151	301	271	266	214.00	226.00	215.00
Freezing	118	119	153	183	184	256	202.00	206.00	240.00
Tomatoes	263	254	295	6,211	5,716	7,299	61.00	67.50	71.60
Broccoli[3]	78	79	91	148	150	168	374.00	376.00	392.00
Carrots[3]	73	74	79	359	366	403	53.00	55.20	54.20
Cauliflower[3]	43	46	51	73	87	102	230.00	242.00	274.00
Total[4]	1,410	1,365	1,470	10,137	9,824	11,885	78.64	85.89	86.80

[1]Production and price on a shelled basis. [2]Corn in the husk. [3]Includes average for fresh market and processing. [4]May not add to total due to rounding.

SOURCE: Vegetables Annual, CRB, SRS.

national outturn of the four leading vegetables, and California produces about 85 percent of the U.S. tomato crop.

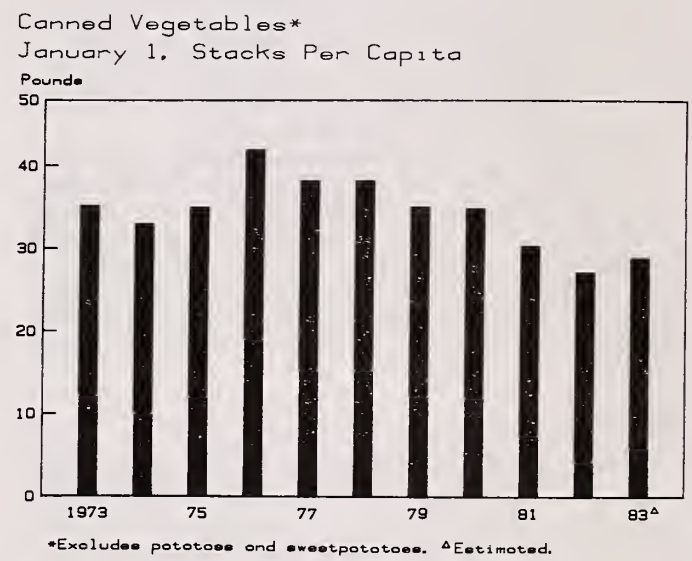
1982/83 Frozen Pack, Stocks Up Sharply

The larger raw tonnage available in 1982 translated into a sharp increase in the frozen vegetable pack. Although not all of the data are available yet, the pack of eight leading items (lima beans, snap beans, broccoli, carrots, cauliflower, sweet corn, green peas, and spinach) probably rose about 15 percent from 1981. Most notable was a 36-percent gain in the frozen sweet corn pack, with lima beans, broccoli, and green peas also posting substantial increases. Packs were higher for all of the commodities except spinach.

Canned pack data were also incomplete at this writing, but the 1982 pack of eight leading canned items (lima beans, snap beans, beets, sweet corn, green peas, sauerkraut, whole tomatoes, and tomato juice) probably rose slightly from the previous year. The packs of tomatoes and tomato products, sweet corn, and beets made noteworthy gains, while the packs of green peas, snap beans, lima beans, and sauerkraut were the smallest in several years.

Canned vegetable supplies at the beginning of 1983 were probably quite similar to a year ago (tables 10 and 12). In general, those commodities that had increased 1982 packs—especially sweet corn and beets—also had larger stocks. Canners' holdings of tomato products on January 1 probably exceeded last year's, but the small carryin stocks likely limited the year-to-year gain. Supplies of canned peas and green beans will be tight for the first half of 1983.

Supplies of frozen vegetables for the 1982/83 marketing season are substantially higher than a year ago (tables 11 and 13). Cold storage stocks of frozen vegetables on January 1 totaled 2 billion pounds, about a fourth larger than a year ago, but 5 percent less than October's record-large holdings (table 14). Supplies of nearly all items were more than a year ago. Stocks were at or near a January 1 historical high for sweet corn, broccoli, green peas, carrots, and lima beans.



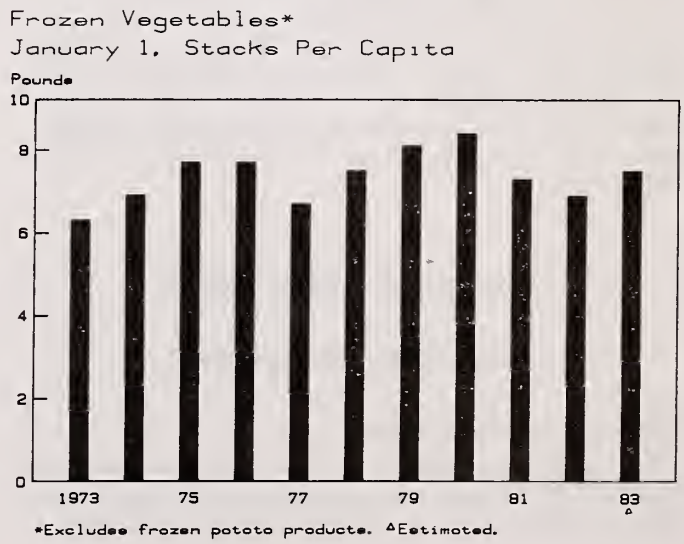


Table 10—Canned vegetables: Pack; canners' seasonal supply, shipments, and stocks to January 1; and total seasonal shipments, selected commodities

Commodity and season	Carryover	Pack	Seasonal supply	Shipments to January 1	Stocks January 1	Total seasonal shipments
			Million cases 24/303's			
Whole tomatoes						
1978-79	16.0	49.2	65.2	26.6	38.6	50.6
1979-80	14.6	52.9	67.5	29.3	38.2	55.2
1980-81	12.3	53.1	65.4	31.9	33.5	55.1
1981-82	10.3	52.7	63.0	33.7	28.5	54.4
1982-83	8.6	[1]58.0	[1]66.0	NA	NA	NA
Snap beans						
1978-79	5.0	57.1	62.1	32.7	29.4	55.9
1979-80	6.2	66.3	72.5	34.1	38.4	61.2
1980-81	11.3	59.7	71.0	31.4	39.6	55.1
1981-82	15.9	52.8	68.7	30.9	37.8	56.3
1982-83	12.4	[1]50.5	[1]62.9	NA	NA	NA
Sweet corn						
1978-79	7.6	57.9	65.5	27.8	37.7	55.7
1979-80	9.8	60.0	69.8	28.9	40.9	60.2
1980-81	9.6	50.6	60.0	28.7	31.3	55.3
1981-82	4.7	57.9	62.6	27.1	35.5	55.3
1982-83	7.3	60.5	67.8	NA	NA	NA
Green peas						
1978-79	4.4	25.3	29.7	18.7	11.0	28.1
1979-80	1.6	35.6	38.1	19.1	19.0	31.9
1980-81	6.2	30.1	36.3	17.6	18.7	30.1
1981-82	6.2	27.3	33.5	15.7	17.8	27.7
1982-83	5.8	24.8	30.6	NA	NA	NA

[1]Unofficial ERS estimate. NA = Not available.

SOURCE: National Food Processors Association.

Table 11—Frozen vegetables: Commercial pack; canners' seasonal supply, shipments, and stocks to January 1; and total seasonal shipments, selected commodities

Commodity and season	Carryover	Pack	Seasonal supply	Disappearance to January 1	Stocks January 1	Total seasonal shipments
			Million pounds			
Broccoli						
1978-79	83.5	276.5	360.0	265.5	94.5	299.8
1979-80	60.2	298.6	358.8	255.5	103.3	280.1
1980-81	78.7	290.7	369.4	270.2	99.2	293.1
1981-82	76.3	306.8	383.1	299.0	84.1	327.6
1982-83	55.5	[1]350.0	[1]405.5	[1]296.9	108.6	NA
Snap beans						
1978-79	41.2	263.7	304.9	139.6	165.3	231.5
1979-80	73.4	262.7	336.1	154.8	181.3	244.9
1980-81	91.2	236.5	327.7	137.3	190.4	246.8
1981-82	80.9	247.9	328.8	151.4	177.8	260.0
1982-83	68.8	[1]268.0	[1]336.8	[1]134.3	202.5	NA
Sweet corn						
1978-79	124.4	610.2	734.7	11.4	481.9	579.8
1979-80	154.8	580.1	734.9	323.7	443.3	614.6
1980-81	120.3	529.1	649.4	320.9	359.7	594.6
1981-82	54.8	619.4	674.2	345.8	353.3	609.2
1982-83	[1]65.0	840.6	905.6	345.3	560.3	NA
Green peas						
1978-79	91.6	357.7	449.3	221.3	228.0	366.4
1979-80	82.9	427.5	510.4	223.7	280.7	387.9
1980-81	122.5	315.6	438.0	211.5	226.6	369.2
1981-82	68.8	333.9	402.7	222.4	180.3	347.7
1982-83	[1]55.0	383.7	438.7	194.3	244.4	NA

[1]Unofficial ERS estimate. NA = Not available.

SOURCES: American Frozen Food Institute and Cold Storage, CRB, SRS.

Table 12—Canned vegetable supplies and disappearance[1]

Year	Pack and carryover	Disappearance
	Million cases 24/303's	
1979/80	322	266
1980/81	301	253
1981/82	282	237
1982/83[2]	285-295	

[1]Eight items—lima beans, snap beans, beets, sweet corn, green peas, sauerkraut, tomatoes, and tomato juice. [2]Unofficial ERS estimate.

SOURCE: National Food Processors Assn. (NFPA), National Kraut Packers Assn.

Table 13—Frozen vegetable supplies and disappearance[1]

Year	Pack and carryover	Disappearance
	Million cases 24/303's	
1979/80	2,791	2,156
1980/81	2,539	2,116
1981/82	2,578	2,181
1982/83[2]	2,900-2,925	

[1]Eight items—lima beans, snap beans, broccoli, carrots, cauliflower, sweet corn, green peas, and spinach. [2]Projections based on SRS raw tonnage estimates and American Frozen Food Institute data.

SOURCE: Cold Storage, SRS, USDA, and American Frozen Food Institute.

Table 14—Frozen vegetables: cold storage holdings and indicated disappearance

Commodity	Jan. 1			Net change Oct. 1-Jan. 1		
	1981	1982	1983	1981	1982	1983
			Million pounds			
Asparagus	6	6	9	−3	−3	−2
Lima beans	90	62	79	−13	2	−3
Snap beans	190	178	202	−50	−56	−57
Broccoli	99	84	109	−5	−20	−22
Brussels sprouts	55	51	28	32	26	10
Carrots	138	150	215	56	102	122
Cauliflower	69	58	71	22	20	25
Sweet corn	360	353	560	−3	−58	−37
Mixed vegetables	46	43	53	(3)	2	5
Okra	33	29	51	−10	−9	−8
Onions	28	28	32	3	2	3
Blackeyed peas	9	11	12	3	2	(3)
Green peas	227	180	244	−102	−115	−97
Peas and carrots	11	10	11	(3)	(3)	−1
Spinach	54	63	55	−17	−28	−24
Squash	32	37	47	−3	−2	−3
Southern greens	29	30	34	5	7	7
Other vegetables	186	201	188	12	26	−14
Total vegetables[2]	1,663	1,575	1,998	−73	−100	−96
Potatoes	730	687	754	103	125	127
Grand total[2]	2,394	2,264	2,753	30	25	31

[1]Preliminary. [2]May not add to total due to rounding. [3]Less than 0.50.

SOURCE: Cold Storage, CRB, SRS.

Processed Vegetable Prices Stabilize

General economic conditions during 1982 helped stabilize wholesale and retail prices of processed vegetables. The lower inflation rate held down the gain in marketing costs to 5.3 percent, less than half the 1981 increase and the smallest rise in several years. Meanwhile, disposable consumer income (adjusted for inflation) was flat in 1982, and probably contributed to the anemic demand for processed vegetables. In addition, the larger 1982/83 packs and supplies caused the leading price indexes to fall in late 1982.

The wholesale price index for canned vegetables averaged 242 (1967=100) last year, a 6-1/2-percent increase from 1981. However, the December reading of 240.6 was 1982's lowest and 2 percent less than July's yearly peak. It was also the first time since mid-1976 that the index was below the previous year. The 1982 wholesale index for frozen vegetables, at 280 (1967=100), averaged nearly 11 percent higher than during the previous year. However, large supplies late in the year caused the index to decline in the fourth quarter, after it trended upward through most of the year.

The year-to-year increases in both the canned and frozen indexes steadily fell as the year progressed. The canned index rose 13 percent in the first quarter, but less than 1 percent in the fourth. Similarly, the increases in the frozen index were 21 and 4-1/2 percent in the first and fourth quarters, respectively.

The same patterns characterized the behavior of the 1982 Consumer Price Index for processed vegetables. The index averaged 139 (December 1977=100), a 5-percent rise from a year earlier, the smallest increase since 1977. The year-to-year increase also declined steadily through the year, from a high of 10 percent in the winter quarter to 2 percent in the fall.

Table 15—Wholesale price index for canned vegetables, by quarters

Year	1st	2nd	3rd	4th	Annual
			1967=100		
1977	169.0	173.3	172.5	172.5	171.8
1978	173.4	177.1	181.3	183.0	178.7
1979	184.0	185.6	189.1	188.0	186.7
1980	186.8	190.6	198.9	207.3	195.9
1981	213.7	223.5	232.1	239.0	227.1
1982	241.7	242.9	241.8	240.6	241.8

SOURCE: Producer Price Index, Bureau of Labor Statistics

Table 16—Wholesale price index for frozen vegetables, by quarters

Year	1st	2nd	3rd	4th	Annual
			1967=100		
1977	185.5	187.6	196.0	197.8	191.7
1978	196.3	197.4	203.4	206.2	200.9
1979	206.1	207.6	213.5	216.5	210.9
1980	214.6	220.5	227.5	226.6	222.3
1981	228.7	249.7	263.0	270.8	253.1
1982	275.7	278.7	282.7	283.4	280.1

SOURCE: Producer Price Index, Bureau of Labor Statistics

Outlook

Prices Expected To Be Steady

Processed vegetable prices through at least the first half of 1983 will probably show little change. Several factors back this up. The larger supplies as of January—especially for frozen vegetables—will limit price rises. At the same time, gains in consumer income and expenditures on food and beverages are expected to be slight during the winter and spring. This could temper demand for processed vegetables.

Raw-product and marketing costs will also affect the price outlook. Although the farm value of processed vegetables accounts for less than a fifth of retail prices, processors paid only slightly more per ton on average in 1982 than during the previous year. In addition, the rise in marketing costs is expected to be 4 to 6 percent in 1983, similar to 1982's gain. Increases in labor and transportation costs will be less than in 1982, but packaging costs—which actually declined last year—and energy costs will likely be larger.

Of the major items, supplies of frozen lima beans, snap beans, sweet corn, and green peas are substantially greater than a year ago. Prices of these items will likely show little upward movement during first-half 1983. Prices of some items, especially sweet corn, could decline. With respect to canned items, prices of tomato products and sweet corn declined late in 1982, and should remain steady in the coming months because of larger supplies. Prices of canned snap beans and peas also fell late last year, despite reduced packs and supplies. With supplies of these two items the shortest in recent memory, prices could firm until the new pack gets underway this summer.

On balance, the leading indexes of processed vegetable prices will probably rise less this year relative to 1982. The wholesale price index for canned vegetables will likely increase 3 to 5 percent, while the frozen index could average 3 to 7 percent greater. The Consumer Price Index for processed vegetables will probably average between 140 and 145, compared with 139 in 1982.

1983 Acreage Prospects

Processors' 1983 contracted area for the four major processing vegetables could range from about 4 percent more than in 1982 to about 8 percent less.

The big gain in 1982 tomato production caused larger packs that offset the low carryover stocks. The supply and demand for canned tomatoes and tomato products appear well-balanced this season, with 1983/84 carryover stocks likely to exceed 1982/83's tight holdings. This implies canners may not need as much acreage for rebuilding supplies. The payment-in-kind (PIK) programs for cotton and rice, two principal alternative crops in California, could also effect some acreage cutbacks. However, some grower-canner contracts in that State have been signed, with the base price typically $53.50 to $54, compared with $56 in 1982. The lower price was likely caused by growers' desire to increase tonnage.

Current supply and demand conditions for snap beans, sweet corn, and green peas suggest that freezers will cut back their 1983 acreage requirements, while canners will increase theirs. This is a reversal of 1982, when frozen area rose sharply from a year earlier, and canned area fell. The relatively small 1982/83 supplies of canned beans and peas will likely cause canners to increase their contracted area of those commodities, while canners' sweet corn acreage will probably be down. However, contracted area of the three vegetables will probably be 5 to 10 percent higher.

Meanwhile, the huge 1982/83 supplies of frozen beans, peas, and corn will likely force a substantial decrease in freezers' 1983 contracted area. In addition, disappearance of snap beans and green peas during the current season has declined substantially, which will likely cause 1983/84 carryover stocks to be larger. Meanwhile, disappearance of sweet corn has only equaled last year's pace. Even with a pickup in sales, freezers will likely have enormous carryover stocks. Therefore, 1983 corn acreage will probably decline sharply. On balance, freezers of the three side-dish vegetables will probably reduce their contracted acreage by 10 to 25 percent.

Processing vegetable area in the United States totals only about 1.5 to 2 million acres, in contrast with about 150 million acres cropped in the United States each year. Over time, processors have become more selective about who they contract with, retaining the efficient and high-quality producer. These factors indicate that the PIK program shouldn't cause any area reductions for corn, beans, and peas.

Weak sales of processed vegetables, combined with larger supplies, have caused wholesale and retail prices to fall slightly in recent months. This price weakness, along with dim prospects for alternative crops, will likely mean that contract grower prices for 1983 will probably be near or slightly less than last year's.

Prospects for Leading Items

Tomato Products

Processing tomato tonnage totaled 7.3 million tons in 1982, 28 percent more than in 1981. California output, at 6.1 million tons, was up more than a fourth. Else-

where, combined production in Ohio, Michigan, and Indiana—the next leading production region—jumped more than 57 percent. The larger production came after two short crops in 1980 and 1981 left 1982/83 carryover stocks substantially reduced.

The packs for all tomato products likely rose in 1982, although no national data have yet been released. However, California data showed larger packs for all items. Packs were most notably larger—between 22 and 43 percent—for the concentrated products, such as paste, puree, crushed or ground tomatoes, and pizza sauce. California is virtually the only supplier of these items. These packs were large enough to offset the sharply reduced carryover holdings, leaving 1982/83 supplies 23 percent more than the previous year for tomato paste, 20 percent for puree, and 13 percent for concentrated crushed or ground tomatoes and pizza sauce. The catsup and chili sauce packs rose 12 and 8 percent, respectively.

California's 1982 canned tomato pack increased 9 percent from 1981. Based on raw tonnage data, the canned tomato pack in other States probably posted much sharper gains. (The Midwest and Mid-Atlantic States primarily can tomatoes and tomato juice, and not the concentrated products.) Therefore, 1982/83 supplies of canned tomatoes are probably 5 to 9 percent larger than a year earlier.

Prices of canned tomato products have generally declined since mid-1982. At wholesale, private-label standard peeled tomatoes were trading at about $8 a case (24/303's) in January, compared with about $8.85 and $9.50 in July and January 1982, respectively. Similarly, prices of 55-gallon drums of 31 percent solids tomato paste were typically quoted at 58 to 60 cents a pound, down from 68 cents in July and 60 to 62 cents a year ago.

Despite larger U.S. supplies, imports of canned tomato products during July-October continued to increase relative to a year earlier. Combined imports of paste, sauce, and canned tomatoes during that period increased by more than 50 percent from last year. However, the rate of increase appears to have slowed from earlier in 1982. From January-October, imports of tomato products were 210 percent greater than the previous year (table 17).

Italy, which currently supplies about half of the United States' canned tomato imports, once again revised downward its 1982 estimate of processing tomato production. Output, at 2.8 million metric tons, is about 8 percent less than in 1981.

The larger U.S. packs this season have apparently brought supply and demand into good balance. This should keep price rises, if any, modest through mid-1983. However, supplies of some items, such as catsup and chili sauce, are equal to or less than a year ago, suggesting possible price gains in the coming months. Although the supply of crushed or ground tomatoes and pizza sauce is substantially above a year ago, disappearance of those items has displayed a strong upward trend in recent years. Continuance of that trend could move prices up. However, the sharply higher stocks of tomato paste, which can be used to manufacture catsup and sauces, should mitigate the price impacts.

Table 17—Tomato product imports

Year	Canned tomatoes	Tomato paste	Tomato sauce	Total
		1,000 pounds		
1977	72.1	65.2	NA	137.3
1978	74.1	51.0	7.1	132.2
1979	45.6	42.1	2.8	90.5
1980	39.9	25.5	1.7	67.1
1981	97.2	65.2	9.1	171.5
1982[1]	146.1	187.4	18.9	352.4

[1]January-November total. NA = Not available.

SOURCE: Bureau of Census.

Sweet Corn

Raw tonnage of sweet corn reached a record-high 2.75 million tons in 1982, a rise of 16 percent from 1981. Production for both canners and freezers increased, causing record packs.

The alltime-high canned pack of 60.5 million cases (basis 24/303's) left the total seasonal supply at 67.8 million cases, 8 percent more than in 1981/82. In the wake of the larger supplies, prices fell, and shipments during July-October rose substantially from a year ago. The wholesale price index for canned whole-kernel corn stood at 199 (1967=100) in December, 8-1/2 percent less than the June 1982 peak and 6 percent lower than a year earlier. Canners' stocks as of November 1 were moderately above a year ago, with retail-size stocks just above last year and institutional-size holdings nearly a third higher.

The relatively good movement of canned corn during the first portion of the marketing season may signal an end to the price slide. In 1979/80, when the total supply was an alltime high (69.8 million cases), prices were steady through the end of the marketing year.

The 1982 frozen cut-corn pack totaled 426 million pounds, while the corn-on-cob pack reached 414 million pounds. The combined packs were 36 percent greater than the previous record high in 1981, pushing up 1982/83 supplies by the same percentage. As of January 1, stocks of cut- and on-cob corn were 89 and 33 percent above last year, respectively. Shipments this season were slightly behind last season's pace.

The wholesale price index for cut-corn fell nearly a tenth between August and December because of the large supplies. Cut-corn prices will likely come under more pressure in coming months as processors try to bring stocks down to more reasonable levels. Meanwhile, prices for frozen corn-on-the-cob dropped only slightly because of the increased movement. Corn-on-the-cob has gained much popularity in the past several years, and prices could firm if the current sales strength persists, in spite of the large supplies.

Green Peas

Total raw tonnage of green peas equaled 521,250 in 1982, a substantial boost from 1981. A 40-percent rise in production for freezers overshadowed a 2-percent decline in canners' output. The proportion of the raw tonnage moving to freezers reached nearly 50 percent, the largest share on record.

Following the raw-product trend, the 1982 canned pea pack totaled 24.8 million cases (basis 24/303's), a tenth below 1981 and the smallest since 1939. Total 1982/83 supplies were the smallest since 1978/79. June-October shipments gained 7 percent from a year earlier, leaving November 1 stocks 15 percent less than last year. The smaller supplies were widely anticipated, and the increased movement may have resulted from buyers purchasing early in the marketing season so as to not run short later on.

The wholesale price index for canned peas has been fairly steady since September 1981, ranging from 192 to 199 (1967=100). December's reading of 194 was slightly below a year ago and the July 1982 peak. The tight stock position—both retail and foodservice stocks were substantially reduced—points to upward pressure on prices this winter and spring.

The 1982 frozen pea pack totaled 384 million pounds, 15 percent above 1981. Freezers upped their output to offset low carryover stocks, which were the smallest since the mid-1950's. The 1982/83 frozen pea supply was 9 percent larger, and on January 1, cold storage holdings were 244 million pounds, 64 million pounds more than the previous year. This indicates shipments thus far are 13 percent less than a year ago. Prices of both retail- and institutional-size cartons were near last year's—at about $7.60 to $7.72 a case and 48 to 49 cents a pound, respectively.

Snap Beans

A decline in snap bean production for canners was not offset by the larger output for freezers, leaving the 1982 crop 4 percent less than the previous year. It was the smallest harvest since 1976.

Although final data are not yet available, the 1982/83 canned pack through October was moderately less than in 1981/82. This season's pack will be the smallest since 1976/77. Total supplies will likely be off by about 7 percent. November 1 canners' holdings stood a tenth less than last year—foodservice cases were especially tight—while July-October shipments posted a similar decline. Foodservice cases (6/10's, Midwest) were trading at $8.50 to $8.75 in early January, $1.50 more than a year ago. Meanwhile, retail cases (24/303's) were at or slightly below year-earlier prices, trading at $5.50 to $5.70. Foodservice prices will likely move up further, while 1982's lackluster performance for most retail sizes of canned vegetables may limit price increases for those items.

The preliminary estimate of the 1982 frozen green bean pack totaled 268 million pounds, an 8-percent hike from 1981. Therefore, 1982/83 supplies are slightly larger than 1981/82's. As of January 1, cold storage holdings totaled 202 million pounds, 25 million more than a year earlier. Both regular and french-cut styles increased. Apparent disappearance this season had declined substantially from a year ago. Both foodservice and retail-size cartons were trading at prices similar to last year. The slow movement and larger stocks could signal some price drops in the coming months.

POTATOES

Recent Developments

Fall Crop Largest Since 1978

Fall potato production is currently placed at 305 million cwt, 3 percent more than the 1981 crop and the largest since 1978's record. The present estimate is 2 million cwt less than the original October estimate, mainly because of a downward revision of 2.2 million cwt in the Washington outturn.

The bigger crop was caused by a 3-percent rise in harvested area, which in turn was spurred by favorable prices since mid-1980. The average yield fell 100 pounds per acre. Production in the Eastern States barely rose from the previous year, while the Central and Western States posted gains of 3.5 and 3.8 percent, respectively.

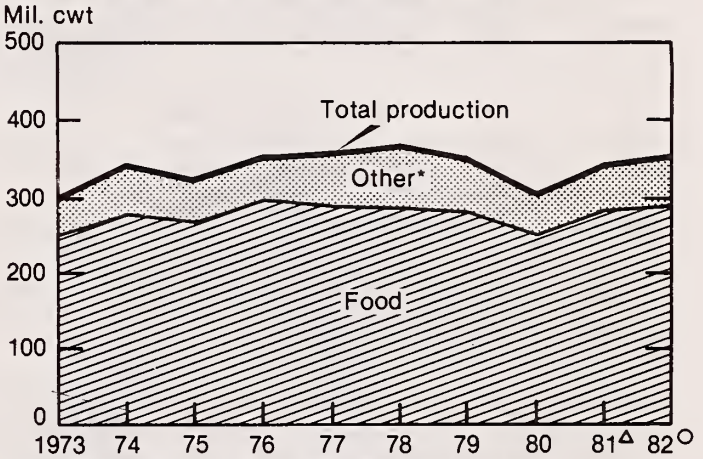
Total 1982 production (all seasons) was nearly 350 million cwt, also 3 percent more than in 1981. It was the fourth largest harvest on record.

Fall Crop Utilization: More Tablestock Use Likely

Based on historical patterns and current conditions and data, it is now projected that tablestock use from the 1982 potato crop could increase about 3 percent from the previous year. Tablestock use has varied directly with the size of the harvest and inversely with price in recent years.

Processing use will probably show a small rise—1 percent or less—from last year. A moderate increase in the processing of potatoes for dehydrating, canning, and

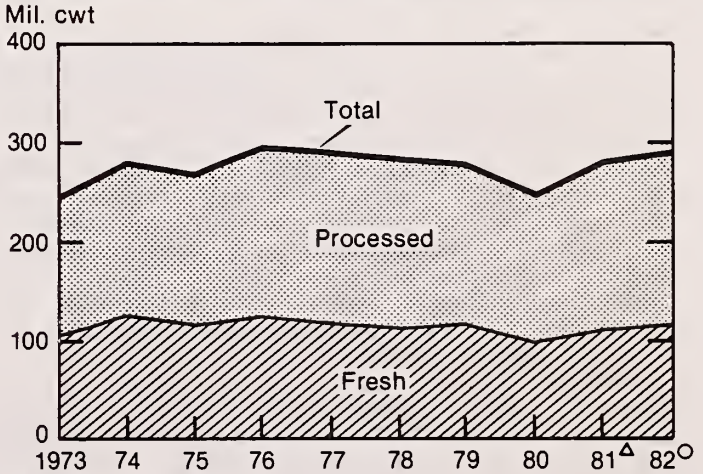
Potatoes Used for Food and Other Uses



*Includes starch, livestock feed, seed, shrinkage and loss.
△ Preliminary. ○ Projected.

USDA Neg. ERS-2700-83 (1)

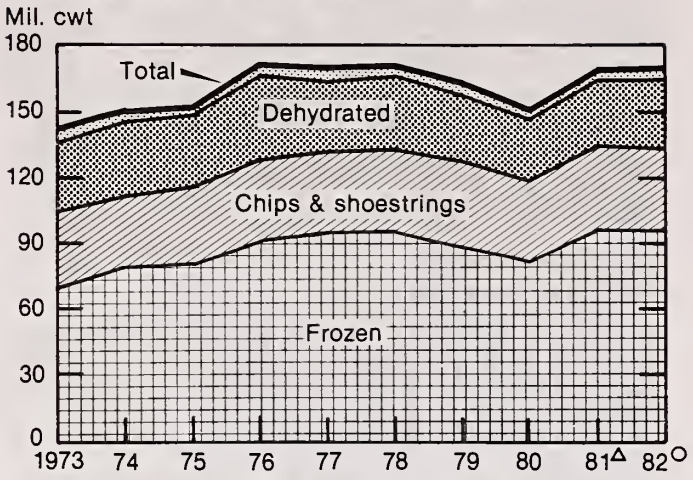
Potatoes Used for Food — Fresh and Processed



△ Preliminary. ○ Projected.

USDA Neg. ERS-2702-83 (1)

Potatoes Used for Processed Food Items*



*Fresh weight equivalent. Δ Preliminary. ○ Projected.

USDA Neg. ERS-2701-83 (1)

Table 18—Potatoes: U.S. quarterly and season-average prices received by growers, 1977-82

Year	1st	2nd	3rd	4th	Season average[1]
			Dollars per hundredweight		
1977	3.52	4.31	4.19	3.10	3.55
1978	3.23	4.15	5.04	3.07	3.38
1979	2.93	2.97	3.42	3.33	3.43
1980	3.35	3.77	6.66	5.51	6.55
1981	7.67	8.59	7.19	4.36	5.41
1982	4.76	6.52	6.52	3.86	4.59

[1]Season-average price of crop in indicated year.

SOURCE: Agricultural Prices, SRS, USDA.

starch and flour will offset lower use by manufacturers of frozen potato products.

A larger increase from a year earlier—about 7 to 10 percent—is expected for nonfood use. Frost damage in Idaho and the low prices this season will likely cause an increase in the shrinkage and loss category and in the quantities used for livestock feed. Seed use will probably approximate a year ago.

Stocks Up, Disappearance Sluggish

Growers, dealers, and processors on January 1 in 15 major production States held an estimated 173.5 million cwt of potatoes, 6 percent more than a year ago and 18 percent above 2 years ago (table 20). The larger 1982 fall crop and lower disappearance (relative to a year earlier) caused the rise. The January 1 holdings represented 59 percent of production in the surveyed States, compared with 57 percent last year.

The disappearance of potatoes through December, at 120.5 million cwt, was 2 percent less than a year earlier. Nearly all forms of use posted year-to-year decreases.

Processors (of mainly frozen and dehydrated potato products) used 6 percent fewer potatoes through December. Pacific Northwest processors, who account for about three-fourths of the processing activity, decreased use by 9 percent. Meanwhile, Maine processing activity was up slightly, while a new frozen potato product operation in Wisconsin contributed to a 13-percent rise in the Midwest.

Despite lower prices, shipments of tablestock potatoes from major areas during September-December were trailing about 6 percent behind last season's pace. Shipments to chip manufacturers were off substantially from a year ago.

Included in the disappearance are 20 million cwt of potatoes dumped during grading, fed to livestock, discarded without grading, or lost to shrinkage (moisture loss). That compares with 17.1 million cwt a year earlier. The losses continue to run above normal in Idaho, as farmers clear out frost-damaged potatoes.

Frozen Product Stocks Increase

U.S. holdings of frozen potato products on January 1 totaled 754 million pounds, compared with 689 million a year earlier. The large pack during first-half 1982, combined with slowed disappearance late in the year, contributed to the rise.

During the first 6 months of 1982, processors' substantially raised their packs from the previous year to rebuild stocks that were drawn down after the short 1980 crop. However, manufacturers of french fries and other frozen potato products slowed their activity this past fall. Through December, procesors (of mainly frozen and dehydrated potato products) in the major processing States used 6 percent less potatoes than in the previous crop year. The frozen potato pack probably declined similarly in the latter part of 1982. However, for all of 1983, the frozen pack will likely total about 4.3 billion pounds, a record high.

Processing activity this past fall was down 9 percent in the Pacific Northwest—which accounts for about 75 to 80 percent of the frozen potato pack—while Midwest processors showed a 12-percent gain. The opening of a new plant in Wisconsin probably accounted for the increase.

Through the first 9 months of 1982, the stock and pack data indicated disappearance was close to or ahead of 1981, when total and per capita consumption of frozen potato products reached a record high. However, it now appears that 1982 total disappearance was probably slightly less than in 1981, as movement lagged in the final months of the year.

Retail and wholesale prices have dropped in recent months because of ample supplies. The Bureau of Labor Statistics (BLS) wholesale price index for frozen french fries stood at 291.5 (1967=100) in December, down slightly from September, but about 3 percent higher than a year ago. Meanwhile, the BLS average retail price for frozen french fries ranged from 60 to 62 cents a pound during August-December. In the first 7 months of 1982, prices ranged from 66 to 68 cents a pound.

The ample frozen potato stocks will likely keep price movements small in the coming months. Also, new processing capacity in the Midwest could inspire some price competition, as processors there and in the Pacific Northwest vie for market shares. This structural factor could also aid price stability.

The weakening of prices in late 1982 was likely tied to the slowdown in movement, which in turn may have been affected by general economic conditions. Therefore, an upturn in economic conditions this winter and spring could translate into a rise in away-from-home food consumption, which would strengthen prices for frozen potato products. Increases in marketing costs—especially energy and transportation—would tend to add to prices.

Table 19—Potatoes: f.o.b. shipping points prices, U.S. No. 1 grade or better, indicated periods, 1980-81, 1981-82 and 1982-83

Shipping point	1980-81			1981-82			1982-83		
	November 8	December 6	January 10	November 7	December 5	January 9	November 6	December 11	January 10
	Dollars per cwt								
Maine Round whites	6.88	9.48	8.98	4.32	4.50	4.50	2.88	2.50	2.56
Long Island, New York Round whites	10.08	10.08	5.56	6.28	6.68	6.68	4.62	4.10	4.14
New York, Upstate Round whites	9.50	9.80	12.12	6.24	6.26	6.24	4.76	5.26	4.76
Michigan Round whites	9.40	9.24	7.56	6.72	6.46	6.24	4.16	4.14	3.90
Wisconsin Round whites	—	—	—	5.25	4.81	5.45	—	—	—
Washington Russets	14.85	15.00	16.94	12.00	12.00	12.20	10.25	10.75	10.50
Colorado Reds	—	9.50	11.25	8.50	8.00	8.00	7.00	6.50	6.25
Idaho Russets 2" or 4 oz. min.	16.60	15.45	18.00	15.00	14.25	14.37	12.50	11.35	11.50

F.o.b. prices are simple averages of the range of daily for the week ended on indicated date.

SOURCE: Compiled from Market News Service reports.

Table 20—Potatoes: January 1 total stocks, by area, 15 major States

Crop year	Eastern States	Central States	Western States	Total[1]
	Million cwt			
1974	34.5	35.0	90.6	160.1
1975	26.5	27.4	102.4	156.2
1976	26.5	29.1	116.7	172.2
1977	28.1	36.7	110.5	175.3
1978	25.7	40.3	127.5	193.5
1979	29.4	33.7	112.9	176.0
1980	22.5	26.2	98.0	146.6
1981	24.6	33.2	105.4	163.2
1982	26.9	35.1	111.4	173.5

[1]May not add to total due to rounding.

SOURCE: Potato Stocks, CRB, SRS.

Table 21—Potatoes used for processing in major States[1]

Season	To January 1	Entire season
	1,000 cwt	
1977-78	47,730	123,975
1978-79	49,915	124,265
1979-80	41,754	115,645
1980-81	41,325	99,950
1981-82	51,749	127,004
1982-83	48,710	

[1]Includes Idaho, Washington, Oregon, Maine, North Dakota, Minnesota, and Michigan during 1977-78 through 1980-81. Also includes Wisconsin beginning in 1981-82.

SOURCE: Potato and Sweetpotatoes Annual report and Estimated Potato Stocks, CRB, SRS.

Table 22—Potato exports on a fresh-weight basis, crop years, 1974-1982

Year	Dehydrated	Frozen[2]	Fresh[2]	Total	Percent of crop
	Million cwt				
1974/75	1.7	NA	5.4	7.1	2
1975/76	10.6	NA	12.0	12.6	4
1976/77	15.7	NA	11.9	27.6	8
1977/78	6.6	NA	4.7	11.3	3
1978/79	8.1	1.7	3.5	13.3	5
1979/80	8.5	2.0	5.1	15.6	5
1980/81	5.2	2.4	4.2	11.8	4
1981/82[1]	5.4	3.6	3.8	12.8	4

[1]Preliminary. [2]Revised. NA = not available.

SOURCE: Foreign Agricultural Service, USDA.

Winter Potato Output Forecast To Rise

Slightly larger acreage and improved yields are expected to raise this year's winter crop 10 percent above last year. Florida and California are the only producing States. This year's crop, currently placed at 2.5 million cwt, will have little impact on potato prices because of its small portion of the total supply.

1982 Canadian Output Up Slightly

Canadian potato production during 1982 totaled 60.5 million cwt, nearly a 3-percent rise from 1981. Increased acreage caused the expansion, as the average yield, at 217 cwt per acre, equaled 1981's. A moderate production gain in the Eastern Provinces (Prince Edward Island, Nova Scotia, New Brunswick, Quebec, and Ontario) more than offset a slight drop in the Western Provinces. Prince Edward Island and New Brunswick, the two leading producing provinces, accounted for about half of the Canadian outturn.

Canada's January 1 stocks totaled 35 million cwt, just below a year earlier. Meanwhile, indicated disappearance of this year's crop through December was 3 percent higher.

Through mid-January, shipments of Canadian tablestock potatoes into Maine have been running 8 percent ahead of last year's pace, and seed imports are 40 percent less.

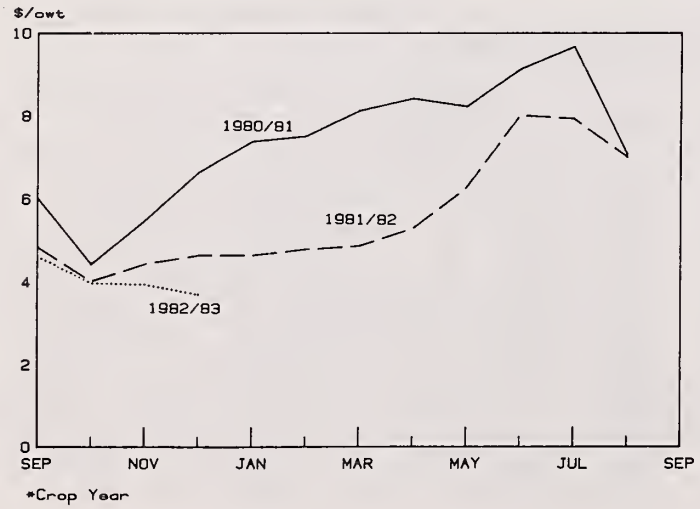
Imports have slackened off since December. Final data show September-November imports into Maine were 50 percent larger than a year ago. However, imports during the same period through all U.S. ports of entry were about equal to a year ago.

Prices Lower in Wake of Higher Production

Grower and retail prices dropped sharply over the last part of 1982 from the relatively high prices of last spring and summer. The larger crop and slackened disappearance caused the drop.

In December, growers received an average $3.68 per cwt, compared with $4.63 a year ago and $8.01 in June—1982's peak (table 18). This was the lowest price since April 1980. Monthly grower prices during 1982 averaged 22 percent less than a year earlier.

Pototoes: U. S. F. O. B. Shipping Point Price*



In mid-January, f.o.b. shipping point prices of Idaho russets (50-pound cartons, 80 to 100 count) were about even with last year, while nonsize russets were substantially less (table 19). Prices of Maine round whites were very depressed, while round reds from the Red River Valley were near a year earlier.

Outlook

Prices To Continue Below A Year Ago

Any seasonal increase in potato prices during the first half of 1983 will likely be lower than average. The larger stocks on hand January 1 and the sluggish demand characteristic of this marketing season will moderate price rises. On the other hand, the large supplies of 1978/79 actually caused prices that season to average lower in the January-June period than during October-December, when prices are typically the lowest. The rather poor performance in potato markets since fall could portend a similar contraseasonal decline.

During the first 3 months of 1983, grower prices will likely average $4 to $4.15 per cwt, about 15 to 20 percent less than a year ago. They could average $4.25 to $4.50 during April-June, a decline of about 25 to 30 percent. Factors that could push prices up in the coming months would be stepped-up activity by processors in the open market and a smaller spring crop. For 1982/83, the season-average price is currently placed at $4.25 per cwt, down from $5.41 and $6.55 in 1981/82 and 1980/81, respectively.

Retail prices of fresh potatoes likewise will continue below last year. For the first quarter of 1983, the retail price index for potatoes should average about 15 to 20 percent less than last year. Similar year-to-year declines are expected for April-June.

1983 Acreage Likely To Fall Slightly

Despite 1982/83's relatively low grower prices, a major potato acreage cutback is not probable this year. After 1978's record harvest, it took 2 years of relatively low prices to force enough planting cutbacks to raise prices. A similar pattern could emerge for the next couple of years. Growers seem to reduce acreage significantly only after a period of sustained low prices, and the U.S. average price was $4.62 per cwt as late as September.

Crop alternatives do not favor a large shift of land out of potato production in 1983. Wheat and other grain acreage in the Western States will be reduced this year because of Government programs. Dry beans, meanwhile, are having their poorest year since the mid-1970's.

Planted acreage of both the spring and summer crops this year will likely post year-to-year declines. Even with a moderate pickup in tablestock shipments, the large January 1 storage holdings suggest there will be a large supply of fall 1982 potatoes left to compete with the spring and summer crops. Facing those prospects, it appears spring and summer growers will reduce acreage.

Typically, the year-to-year directional change in the planted area of the spring and summer crops is a harbinger of the direction fall-crop planted area will take. The low 1982/83 grower prices could effect an acreage reduction this year. Processor demand will also affect planted area. Although frozen potato product markets have weakened the past couple of months, the long-

awaited economic recovery is now expected to get underway this spring. Hints of the recovery and increased movement of frozen products during early 1983 could blunt the acreage drop, as processors contract for expected needs.

SWEETPOTATOES

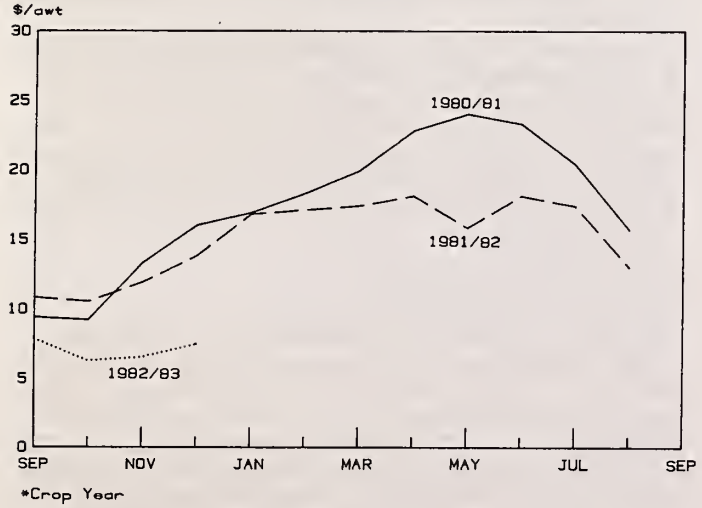
Production Larger In 1982; Prices Down Sharply

The 1982 harvest of sweetpotatoes rose 14 percent from 1981, after 2 years of strong prices. It was the largest output since 1965. Sweetpotato farmers during fourth-quarter 1982 received an average of $6.73 per cwt, compared with $12.07 the previous year. This was the lowest quarterly price since fall 1972. In addition, growers will probably receive an average of $7.50 to $9 per cwt this winter, in contrast with $17.10 a year ago. The 1982/83 season-average price is currently estimated at $7.87 per cwt, compared with $13.60 in 1981/82 and 1980/81.

Between July and September, canners packed 2.85 million cases (basis 24/303's), 20 percent more than a year ago. An increase in the carryin stocks will likely cause the 1982/83 supply to be the largest since 1979/80. Wholesale prices of most canned sweetpotato products were about 50 cents to a dollar under a year ago, which helped boost July-September shipments 16 percent from the previous year. The relatively large supply should keep canned prices steady through the coming months.

Unloads of sweetpotatoes this season (through mid-January) at major terminal markets were running 4 percent ahead of last year's pace. Cartons of sweetpotatoes this January were generally $5 to $6 less than last year at North Carolina and Louisiana shipping points, while prices were only down about $1.70 in California. Prices—terminal market, shipping point, and grower—will move up seasonally in the coming months, but at a much slower rate than what is typical.

Sweetpotatoes: U. S. F. O. B. Shipping Point Price*



1983 Acreage To Be Scaled Back

The poor prices overhanging most of the sweetpotato markets will cause plantings to be scaled back this year. With only about 110,000 to 120,000 acres typically planted, a drop of only 3,000 or 4,000 acres would help restore some balance to supply and demand for 1983/84. More normal yields would also serve to hold down supplies. The 1982 record-high yield of 129 cwt per acre was 10 percent higher than the previous one. A moderate production cutback this year could raise prices to above year-ago levels by late summer or early fall.

MUSHROOMS

Price Performance Mixed

Grower prices for fresh mushrooms at Kennett Square, Pennsylvania, have shown little improvement over the past 3 months. For the week ending January 21, prices for No. 1 fresh clean-cut mushrooms in bulk for repackaging were between 66 and 72 cents a pound, compared with 62 to 72 in October. The mode (those prices occuring most often within a range), at 68 to 70 cents, was slightly below that of October. However, both the range and mode were moderately higher than those of the previous year.

Grower prices for mushrooms for processing have improved compared with both the previous quarter and year. Mid-January quotations for No. 1 clean-cut mushrooms were between 46 and 60 cents a pound, with most prices hovering at 58 to 60 cents. The mode was sharply greater than that of October and a year earlier.

Despite higher grower prices for processed mushrooms last year, the 1982 wholesale price index for canned mushrooms, at 178.7 (1967=100), was moderately below a year earlier. The lower prices possibly were caused by the continued influx of foreign imports. In addition, the source of imports during the past year has shifted toward China and Hong Kong, who have lower prices than other exporting nations.

In December, the average retail price for fresh mushrooms was $1.71 a pound, compared with $1.88 in November and $1.73 in December 1981.

Canned Imports Rise

During the latter part of 1982, an International Trade Commission (ITC) panel rendered a two/two vote on a market disruption charge against China. Exercising his authority to rule in cases of split decisions by the ITC, the President found that imports of canned mushrooms from China had not disrupted the domestic market. In a subsequent case, the ITC ruled that there is reasonable indication that dumping has occurred. The International Trade Administration in the Department of Commerce currently has jurisdiction over the case and is collecting information prior to determining whether dumping exists.

China and Taiwan continue to be the major exporters to the United States (table 24). Hong Kong and Korea, however, continue to lose their market share. For July-November 1982, canned imports were running 19 percent higher than a year earlier.

Table 23—Sweetpotatoes: prices, f.o.b. shipping points and wholesale price at New York and Chicago, indicated periods, 1980, 1981, and 1982

Item	State	Unit	Week ended								
			1980-81			1981-82			1982-83		
			Nov. 8	Dec. 6	Jan. 10	Nov. 7	Dec. 12	Jan. 9	Nov. 6	Dec. 11	Jan. 10
			Dollars								
F.o.b. shipping points											
Porto Rico type	S.W. Louisiana	50 lb. ctn. & crt., U.S. No. 1	9.58	12.00	12.50	10.62	12.25	12.00	5.50	7.00	6.50
Jewels	Eastern North Carolina	50 lb. ctn. & crt., U.S. No. 1	8.50	10.63	11.00	10.75	10.41	9.25	4.25	5.00	4.50
			Tuesday nearest midmonth								
			1980-81			1981-82			1982-83		
			Nov. 12	Dec. 16	Jan. 13	Nov. 17	Dec. 15	Jan. 12	Nov. 16	Dec. 14	Jan. 11
			Dollars								
Terminal markets											
New York											
Porto Rico, cured	North Carolina	50 lb. ctn.	10.50	12.50	—	13.50	12.00	11.75	6.50	5.50	5.75
Chicago											
Porto Rico, cured	Louisiana	50 lb. crt.	12.50	15.00	—	14.25	14.00	13.00	7.50	—	7.50

SOURCE: F.o.b. prices are simple averages of the range of daily prices, compiled from Market News Service reports. The market prices are representative prices for Tuesday of each week and are submitted by the Market News Service representative at each market.

Table 24—Canned mushroom imports, total and selected countries, indicated period

Countries	July-June 1980-1981	July-June 1981-1982	July-Nov. 1981	July-Nov. 1982
	Million pounds			
China, Peoples' Republic of	20.2	33.5	14.9	18.0
China, Republic of (Taiwan)	39.4	30.0	10.8	18.8
Hong Kong	21.4	21.4	8.9	5.5
Korea, Republic of	11.3	6.5	3.1	1.7
Other	3.0	3.5	0.8	1.7
World total	95.3	94.9	38.5	45.7

SOURCE: Bureau of Census

Outlook

Grower prices for fresh mushrooms could improve through first-quarter 1983, as the industry continues to promote sales. If imports remain high, wholesale prices for canned mushrooms could stay at present levels.

PULSES

Dry Edible Beans

Prices Drop Throughout 1982

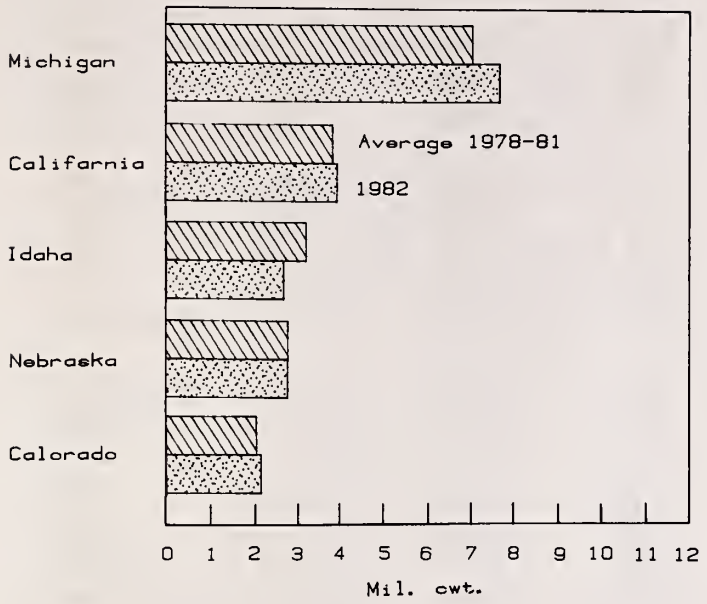
Grower prices ended 1982 on the same note they began—down. In December, farmers received $12.70 per cwt, compared with $14.20 in November and $22.10 a year earlier. December's price was the lowest since 1973. The chief cause of this downward spiral was the absence of Mexican contracts, which had buoyed the market during the previous 2 years. This is reflected in the 1982 season-average price, which is estimated at $13.80 per cwt, compared with $21 and $27.60 in 1981 and 1980, respectively.

F.o.b. prices for major varieties of beans bear evidence of declining sales for certain types. Prices of pinto beans through January 18 averaged $11.75 to $13.50 per cwt, compared with $17.50 to $18.50 the previous year. Pea beans were quoted between $12.50 and $15.75 and were sharply lower than in January 1982. Great Northerns, at $15.50 to $16 per cwt, also showed sluggish sales and declining prices.

Production Sharply Down

In 1982, production of dry edible beans was estimated at 24.8 million cwt. Despite a sharp decline in the outturn, bean supplies proved to be more than adequate, given lagging sales, ample stocks, and offsetting production gains for specific varieties. Pinto and black turtle beans were largely responsible for the overall drop in dry bean production, with 50 and 89 percent decreases from 1981 (tables 25 and 26). Colorado, Idaho, Nebraska, and

Dry Bean Output-Leading States, 1982 and Average Output, 1978-81



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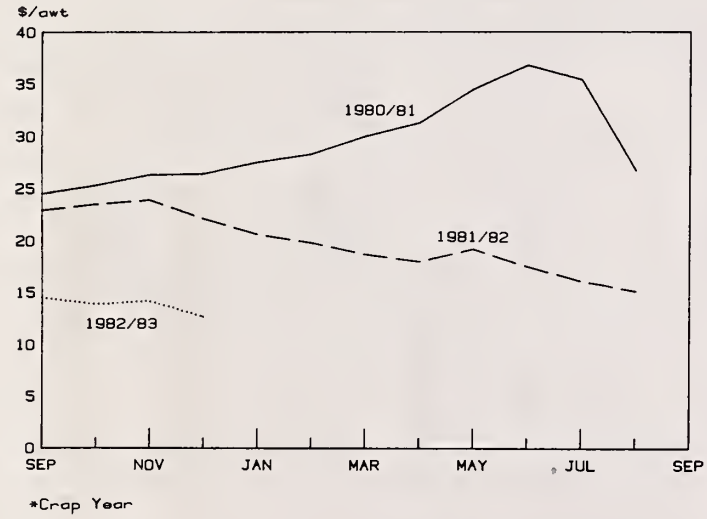
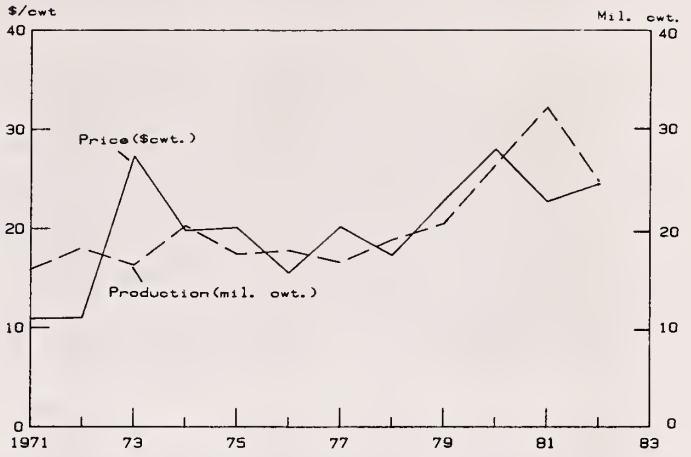
Dry Beans: U.S. F.O.B. Shipping Point Price*



North Dakota are the major producers of pinto beans, and each State registered large production cutbacks in 1982. Production of black turtle beans plummeted—dropping to 242,000 cwt in 1982, after reaching 2.2 million cwt in 1981. Although Michigan, the leading producer of black turtle beans, sharply cut back its production of this variety, it increased its outturn of pea beans by 51 percent in 1982. Michigan's total outturn, therefore, was slightly up.

In California, production of large and baby limas dipped 3 and 12 percent, respectively, from 1981. However, California growers expanded their production of blackeye peas and garbanzos. In 1982, it was estimated that 1.1 million cwt of blackeye peas were grown, compared with 875,000 the previous year. Garbanzo production, at 60,000 cwt, improved sharply from 1981.

Dry Bean Price and Production



U.S. Exports Remain Sluggish

In 1981/82, exports of U.S. dry beans were up 14 percent from the previous season (table 27). Although the season's total showed an increase, export sales declined throughout 1982; the increase reflected final shipments to Mexico during late 1981 and early 1982.

Pea bean sales to the United Kingdom were sharply less than in 1980/81. Pea bean exports strengthened during the early months of 1982/83 (September-November), one of the few bean varieties that showed any signs of improvement.

Outlook

Grower prices during early 1983 will likely continue to slump, averaging about $14 per cwt during the first quarter, compared with $19.70 a year earlier. Recent reports of downward revisions in Mexican production and stock estimates might result in larger Mexican sales, as much as 100,000 metric tons. However, any sales appear to be several months distant. No real changes are anticipated until the present abundant supplies work their way through the market. The strong value of the U.S. dollar could also hamper export gains.

Brazil had an excellent crop of black and colored beans and is actively looking to export. U.S. exporters of colored beans will likely meet with stiff competition from Brazil, Argentina, and Chile for South American markets.

With little room for expanding either domestic or foreign sales and continued low prices, it is likely that additional acreage cutbacks will take place in 1983. Planted area could be between 1.6 and to 1.85 million acres, compared with 1.9 million in 1982. Hints of Mexican purchases later this year, however, might bolster the total.

Dry Peas and Lentils

Prices Down

Last year, grower and f.o.b. prices for dry peas and lentils followed the pattern set by dry beans, although the

Table 25—Dry edible beans: production by commercial classes, 1977-81[1]

Class	1977	1978	1979	1980	1981	1982[2]
			1,000 cwt			
White:						
Pea, navy	5,209	5,604	5,858	5,717	5,550	7,537
Great northern	1,603	1,863	1,998	2,112	2,686	2,736
Small white[3]	248	203	193	186	312	236
Total, white	7,060	7,670	8,049	8,015	8,548	10,509
Colored:						
Pink	753	687	817	1,750	1,941	867
Pinto	4,462	5,638	6,051	10,008	14,029	6,999
Red kidney	1,285	1,827	1,602	1,757	1,542	2,038
Small red	305	366	506	646	610	489
Cranberry	390	361	310	330	320	358
Black turtle soup	109	168	288	1,451	2,244	242
Total, colored	7,304	9,047	9,574	15,942	20,686	10,993
Lima:						
Large	540	458	529	758	639	623
Baby	475	512	656	447	661	581
Total, lima	1,015	970	1,185	1,205	1,300	1,204
Other:						
Blackeye	800	778	943	698	875	1,100
Garbanzo	63	101	152	67	50	60
Other[4]	313	369	573	468	724	898
Total, other	1,176	1,248	1,668	1,233	1,649	2,058
United States	16,555	18,935	20,476	26,395	32,183	24,764

[1]Excludes beans grown for garden seed. [2]Preliminary. [3]Includes flat small white. [4]Includes yelloweye.

SOURCE: Crop Production, CRB, SRS.

Table 26—Dry edible beans: production in selected States, by major types, 1982 and total by types 1981

Type	MI	ID	WY	NE	WA	CO	NY	CA	Other[1]	Total 1982[2]	Total 1981
						1,000 cwt					
Peas, navy	6,143	—	—	—	—	—	—	—	1,394	7,537	5,550
Great Northern	—	352	42	2,332	—	—	—	—	10	2,736	2,686
Pinto	120	1,228	480	666	234	1,977	—	—	2,414	7,119	14,029
Red kidney	369	41	—	182	—	—	426	930	90	2,038	1,542
Small red	—	235	—	—	254	—	—	—	—	489	610
Large lima	—	—	—	—	—	—	—	623	—	623	639
Baby lima	—	—	—	—	—	—	—	581	—	581	661
Small white[3]	—	—	—	—	126	—	—	110	—	236	312
Blackeye	—	—	—	—	—	—	—	1,100	—	1,100	875
Other	295	151	—	—	6	80	60	210	96	898	724
Pink	—	587	—	—	42	—	—	228	10	867	1,941
Cranberry	358	—	—	—	—	—	—	—	—	358	320
Garbanzo	—	—	—	—	—	—	—	60	—	60	50
Black turtle soup:	140	—	—	—	—	—	102	—	—	242	2,244
U.S. total	7,425	2,594	522	3,180	662	2,057	588	3,842	4,014	24,884	32,183

[1]Includes Illinois, Indiana, Kansas, Minnesota, Montana, New Mexico, North Dakota, and Utah. [2]Preliminary. [3]Includes flat small white.

SOURCE: Crop Production, Annual Summary, CRB, SRS.

price declines were not as steep. Mid-January grower prices in Idaho and Washington, the leading producing States, were down for all varieties. Green peas were quoted at $8.50 to $9.25 per cwt of No. 1 thresher run, clean basis, compared with $10.25 to $10.75 a year earlier. Yellow peas, at $7.75 to $8, were sharply below the previous year, as were Austrian winter peas, at $8 to $8.25. Farmers also received less for lentils. Mid-January prices for lentils were running at $13 to $13.25 per cwt, compared with $15.50 to $16 last year. F.o.b. prices followed similar patterns.

Table 27—U.S. exports of dry edible beans by country of destination

Country	Marketing year beginning		
	Sept. 1979	Sept. 1980	Sept. 1981
	1,000 cwt		
United Kingdom[1]	1,072.7	1,469.7	1,258.4
Netherlands	361.5	520.6	585.8
Algeria	—	—	—
Canada	343.1	434.8	649.7
Japan	487.4	721.4	630.2
Mexico	2,104.6	7,801.7	9,869.7
France	229.8	287.6	323.1
Venezuela	282.1	208.8	265.5
Australia	66.9	76.9	66.9
Other countries	2,275.6	3,262.6	3,239.3
Total U.S. exports	7,223.7	14,784.1	16,888.6

[1]Includes Northern Ireland.

SOURCE: Bean Market News, AMS, USDA.

Exports Decline in 1981/82

In 1981/82, exports of all dry peas and lentils fell 10 percent from the previous season, but they were sharply higher than in 1979/80. On a varietal basis, yellow pea exports rose 11 percent, while exports of all others decreased. Exports of Austrian winter peas registered the sharpest declines, as they were only a third of the previous season's amount. Despite the substantial drop this past season, cumulative dry pea and lentil exports between September and November were moderately above a year earlier.

Outlook

Other than normal seasonal improvement, grower prices will likely remain about even, as export prospects do not seem likely to improve. Turkey is currently a strong competitor with the United States for the lentil market, and has succeeded in making inroads into previously U.S.-dominated markets, such as Algeria. Canadian field pea production in 1982 was substantially greater than the previous year. Canada appears to have lost some of its traditional export markets, so that it may seek to expand foreign sales elsewhere. U.S. export prospects are not expected to improve, and volume could even decline during the current season.

Table 28—Dry peas and lentils: U.S. exports by type

Crop year[1]	Green peas	Yellow peas	Lentils	Austrian winter peas	Seed	Total
			Million pounds			
1978-79	107.5	35.6	88.7	35.5	26.8	294.1
1979-80	9.9	20.0	102.5	29.0	39.8	201.2
1980-81	161.0	44.7	159.2	31.9	42.9	439.7
1981-82	140.2	49.7	158.7	10.6	37.2	396.4

[1]September-August.

SOURCE: Bureau of Census.

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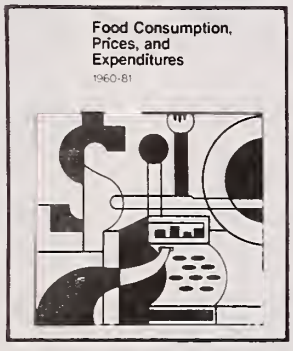
Food Consumption, Prices, and Expenditures



Rounding up data on the food industry should be as convenient as a trip to the supermarket. **Food Consumption, Prices, and Expenditures, 1960-81**, just published by USDA's Economic Research Service, provides an up-to-date and unified source of food data for your analytical work.

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What's more, narrative and charts highlight significant changes in key food-sector indicators during 1981. Of special interest are USDA's unique estimates of year-to-year changes in per capita food consumption. In total, food consumption dropped 7 pounds per person to 1,400 pounds in 1981. Per capita meat consumption was down 2.6 pounds, but poultry use increased 1.8 pounds; use of dairy products was off. Fresh fruit use rose 1.6 pounds per person, but fresh vegetable consumption fell by 1.9 pounds.

While total food spending by Americans rose by nearly 10 percent, it was the lowest since 1973 as a share of disposable income. The farmer's share of the retail food dollar dropped to the lowest in two decades.

Food Consumption, Prices, and Expenditures, 1960-81, SB-694, may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Include your name, address and zipcode and a check or money order for $5.50 ($7.00 to foreign address). Or charge your purchase to your VISA, Mastercharge, or GPO deposit account (include account number and expiration date). For faster service, phone in charge orders to GPO by calling (202) 783-3238.